OVERSTRAND MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2008

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 58, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 25 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Adv. W Zybrands
Municipal Manager

Date

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OVERSTRAND MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		**448 404 333**	**364 021 305**
Housing Development Fund	**1**	3 317 403	3 305 463
Capital replacement reserve		51 478 157	66 436 547
Capitalisation reserve		85 532 199	92 875 447
Government grant reserve		52 760 114	45 547 140
Donations and public contribution reserves		18 203 901	5 848 966
Self-Insurance reserve		-19 471	27 080
Revaluation Reserve		0	0
Accumulated Surplus/(Deficit)		237 132 030	149 980 662
Non-current liabilities		**94 458 384**	**100 284 103**
Long-term liabilities	**2**	43 069 576	50 554 981
Non-current provisions	**3**	51 388 808	49 729 122
Current liabilities		**128 274 564**	**142 809 729**
Consumer deposits	**4**	10 220 922	8 861 602
Provisions	**5**	6 863 286	3 363 498
Creditors	**6**	84 240 115	98 742 699
Unspent conditional grants and receipts	**7**	19 358 390	24 852 485
Current portion of long-term liabilities	**2**	7 591 851	6 989 445
Total Net Assets and Liabilities		**671 137 281**	**607 115 137**
ASSETS			
Non-current assets		**506 094 489**	**373 181 894**
Property, plant and equipment	**9**	497 428 554	364 143 705
Investment Property	**10**	0	0
Investments	**11**	8 220 660	8 134 323
Long-term receivables	**12**	445 275	903 866
Current assets		**165 042 792**	**233 933 243**
Inventory	**13**	4 722 631	1 899 515
Consumer debtors	**14**	25 312 701	25 521 252
Other debtors	**15**	53 564 060	61 013 034
Current portion of long-term debtors	**12**	365 417	498 059
VAT	**8**	10 616 700	4 939 750
Call investment deposits	**16**	50 000 000	55 017 454
Bank balances and cash	**17**	20 461 282	85 044 179
Total Assets		**671 137 281**	**607 115 137**

OVERSTRAND MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2008

	Note	Actual 2008 R	2007 R
REVENUE			
Property rates	**18**	76 223 632	71 981 101
Property rates - penalties imposed and collection charges		804 773	335 289
Service charges	**19**	188 737 136	174 696 958
Leases : Operating leases	**21a**	28 129 212	5 371 142
Interest earned - external investments		14 924 891	12 884 506
Interest earned - outstanding debtors		2 190 540	1 139 731
Dividends received		190 049	7 075
Fines		3 634 457	2 718 379
Licences and permits		1 660 420	1 569 973
Income for agency services		3 095 545	4 256 760
Government grants and subsidies	**20**	26 672 432	30 599 252
Other income	**21**	20 587 545	10 165 264
Public contributions, donated and contributed property, plant and equipment		12 683 363	3 111 588
Gains on disposal of property, plant and equipment		17 458 509	38 430 776
Total Revenue		**396 992 504**	**357 267 794**
EXPENDITURE			
Employee related costs	**22**	104 736 682	88 058 032
Remuneration of Councillors	**25**	3 622 323	3 882 186
Bad debts		4 834 083	315 963
Collection costs			
Depreciation		26 368 168	25 007 753
Repairs and maintenance		34 226 302	33 088 279
Interest paid	**23**	5 493 212	6 397 901
Bulk purchases	**24**	42 831 232	39 256 492
Contracted services		9 597 927	5 106 079
Grants and subsidies paid	**26**	10 313 935	12 778 026
General expenses		65 251 999	55 824 885
Total Expenditure		**307 275 863**	**269 715 595**
SURPLUS/(DEFICIT) FOR THE YEAR		**89 716 641**	**87 552 199**

Refer to Appendix E(1) for the comparison with the approved budget

OVERSTRAND MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	Housing Development Fund R	Capital Replacement Reserve R	Capitalisation Reserve R	Government Grant Reserve R	Donations and Public Contribution Reserve R	Self Insurance Reserve R	Revaluation Reserve R	Accumulated Surplus/ (Deficit) R	Total R
2007									
Balance at 1 July 2006	3 210 167	38 501 673	101 749 081	31 839 296	2 896 133	80 980	18 000 000	81 500 044	277 777 374
Correction of error (Note 27 & 28)								-1 308 267	16 691 733
Change in accounting policy									0
Restated balance	**3 210 167**	**38 501 673**	**101 749 081**	**31 839 296**	**2 896 133**	**80 980**	**18 000 000**	**80 191 777**	**294 469 107**
Net surplus/(deficit) for the year								87 552 199	87 552 199
Transfer to CRR		60 538 517						-60 538 517	0
Property, plant and equipment purchased		-50 603 644						50 603 644	0
Capital grants used to purchase PPE				15 976 549				-15 976 549	0
Donated/contributed PPE					3 111 588			-3 111 588	0
Contribution to Insurance Reserve						2 216		-2 216	0
Insurance claims processed						-56 116		56 116	0
Transfer to Housing Development Fund	95 296							-95 296	0
Asset disposals		18 000 000					-18 000 000	0	0
Offsetting of depreciation			-8 873 634	-2 268 705	-158 755			11 301 094	0
Balance at 30 June 2007	**3 305 463**	**66 436 547**	**92 875 447**	**45 547 140**	**5 848 966**	**27 080**	**0**	**149 980 663**	**382 021 306**
2008									
Correction of error (Note 27 & 28)								-5 333 614	-5 333 614
Change in accounting policy								0	0
Restated balance at 1 July 2007	3 305 463	66 436 547	92 875 447	45 547 140	5 848 966	27 080	0	144 647 050	376 687 692
Net surplus/(deficit) for the year								89 716 641	89 716 641
Transfer to CRR		76 863 509						-76 863 509	0
Property, plant and equipment purchased		-91 821 898						91 821 898	0
Capital grants used to purchase PPE				10 051 011				-10 051 011	0
Donated/contributed PPE					12 683 363			-12 683 363	0
Contribution to Insurance Reserve						5 802		-5 802	0
Insurance claims processed						-52 353		52 353	0
Transfer to Housing Development Fund	11 940							-11 940	0
Asset disposals								0	0
Offsetting of depreciation			-7 343 248	-2 838 037	-328 428			10 509 713	0
Balance at 30 June 2008	**3 317 403**	**51 478 157**	**85 532 199**	**52 760 114**	**18 203 901**	**-19 471**	**0**	**237 132 030**	**466 404 333**

OVERSTRAND MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		359 120 441	238 673 929
Cash paid to suppliers and employees		292 343 078	162 158 445
Cash generated from/(utilised in) operations	**29**	65 800 672	79 195 084
Dividends received		190 049	7 075
Interest received		17 115 431	14 024 237
Interest paid		(5 493 212)	(6 397 901)
NET CASH FROM OPERATING ACTIVITIES		77 612 940	86 828 494
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(159 653 017)	(108 127 812)
Proceeds on disposal of property, plant and equipment		17 458 509	56 430 776
(Increase)/decrease in PPE due to change in accounting policy		-	(33 645 323)
(Increase)/decrease in investment properties		-	33 645 323
(Increase)/decrease in non-current receivables		591 233	1 167 324
(Increase)/decrease in non-current investments		(86 337)	(171 630)
(Increase)/decrease in call investment deposits		5 017 454	54 438 137
NET CASH FROM INVESTING ACTIVITIES		(136 672 158)	3 736 796
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(6 882 999)	(28 044 822)
Increase/(decrease) in consumer deposits		1 359 320	1 130 880
(Increase)/decrease in short-term loans		-	-
NET CASH FROM FINANCING ACTIVITIES		(5 523 679)	(26 913 942)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(64 582 897)	63 651 348
Cash and cash equivalents at the beginning of the year	**17**	85 044 179	21 392 831
Cash and cash equivalents at the end of the year	**17**	20 461 282	85 044 179

OVERSTRAND MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention.

The annual financial statements have been prepared in accordance with the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) and the Standards of Generally Recognised Accounting Practice (GRAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated financial statements and accounting for controlled entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interest in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Assets
GAMAP 6, 7, and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.	

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.
These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality are attached as Annexure A and have been provided for in the notes to the annual financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP or GRAP.

2. PRESENTATION CURRENCY

The annual financial statements are presented in South African Rand and is rounded off to the nearest R1.

3. GOING CONCERN ASSUMPTION

The annual financial statements have been prepared on the assumption that the municipality is a going concern and will continue in operation for the foreseeable future.

4. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing

selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

5. RESERVES

5.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/ (deficit) to the CRR in terms of the Annual Budget. The cash in the CRR Account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/ (deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

5.2 Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/ (deficit) in terms of a directive (budget circular) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/ (deficit).

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

5.3 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/ (deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/ (deficit). When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

5.4 Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/ (deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

5.5 Self-Insurance Reserve

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

5.6 Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/ (deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus/ (deficit) while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Fixed Assets

Property, plant and equipment, is stated at cost, less accumulated depreciation.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The recognition of impairment losses has not been done as it is exempted. It is expected that an assessment of impairments will be done by 30 June 2009.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that it's use is expanded or the further development of an asset so that its original life is extended is examples of subsequent expenditure which should be capitalised.

7.2 Depreciation

Depreciation is calculated on cost, using the straight line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated useful lives (unless a technical assessment of an individual asset concludes that a material variation is necessary):

	Years		Years
Infrastructure		**Other**	
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	1-7
Sewerage	15-20	Furniture and fittings	1-10
Housing	30	Watercraft	15
		Bins and containers	5
Community		Specialized plant and	
Improvements	30	equipment	10-15
Recreational Facilities	20-30	Other plant and	
Security	5	equipment	2-5
		Intangible assets	2-5

The review of the useful life and the depreciation method of recognised assets were not assessed.
It is expected that this assessment will be done by 30 June 2009.

7.2.1 Heritage assets

These are assets that are defined as culturally significant resources which are not depreciated owing to the uncertainty regarding their estimated useful lives.

7.2.2 Land

Land is not depreciated as it is deemed to have an indefinite life.

7.2.3 Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is commissioned into use.

7.2.4 Non-current assets held for sale

The re-classification of non-current assets to current assets when it is held for sale was not done as this Standard, IFRS 5 has been exempted. This will be done by 30 June 2009.
The gain or loss on the eventual sale of non-current assets held for sale is included in the Statement of Financial Performance as gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale, is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset or the disposal group.

7.2.5 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, where applicable.
In terms of IAS 38, intangible assets are distinguished between internally generated intangible assets and other intangible assets. It is further distinguished between indefinite or finite useful lives.
Intangible assets with finite useful lives are amortised over its useful life.

7.3 Landfill sites

The Municipality has an obligation to rehabilitate its landfill sites in terms of its licence stipulations. Provision is made for this obligation in accordance with the Municipality's accounting policy on non-current provisions – see Accounting Policy 13 on Provisions.

7.4 Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance. The Municipality has not assessed whether items of property, plant and equipment are impaired. It is expected that an assessment of impairments will be done by 30 June 2009.

8. INVESTMENT PROPERTY

Investment property is property held to earn rental revenue or for capital appreciation or both. The assets that were incorrectly classified as Investment Properties have been reverted back to Property, Plant and Equipment. It is expected that assets recognised as Investment Property, will be done by 30 June 2009.

9. FINANCIAL INSTRUMENTS

The municipality has various types of financial instruments and these can be broadly categorised as either financial assets or financial liabilities.

9.1 Financial Assets

In accordance with IAS 32 and IAS 39, the municipality classifies its investments in the following categories:

- Loans and Debtors,
- Investments to be kept until maturity and
- Financial assets available for sale.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. This will be done by 30 June 2009.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

9.1.1 Loans and Debtors

Loans and debtors are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the municipality provides money, goods or services directly to a debtor without any attention of trading such debtors. Loans and debtors are included in consumer and other debtors in the balance sheet and carried at amortised cost.
An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

9.1.2 Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity. They are included under non-current and current assets in the balance sheet and carried at cost.

9.1.3 Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that designated as available-for-sale and comprises of cash and equity instruments held in shares. They are included under current assets in the balance sheet and are carried at cost.

9.2 Financial Liabilities

In accordance with IAS 32 and IAS 39, financial liabilities are classified in the following categories:

- Contracted obligations and
- Loans to be kept until maturity.

9.2.1 Contractual Obligations

Financial liabilities representing a contractual obligation to deliver cash in the future are reflected as creditors payable in the balance sheet under current liabilities. They are stated at fair value through profit and loss.

9.2.2 Loans Held-to-maturity

Loans held-to-maturity are long term financial liabilities with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity. They are included under non-current liabilities in the balance sheet and are carried at amortised cost.

10. INVENTORIES

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs. Unsold properties that meet the definition of Inventory need not be re-classified or recorded as inventories. They are being disclosed along with property, plant and equipment in the annual financial statements.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

11. REVENUE RECOGNITION

Revenue involves the fair value of the remuneration received or receivable for the sale of services or goods in the ordinary course of the municipality's activities.
Revenue is shown net of value-added tax and allowances and discounts. Revenue is recognised as follows:

11.1 Revenue from Exchange Transactions

11.1.1 Service Charges
Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

11.1.2 Pre-paid electricity
Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

11.1.3 Interest earned
Interest and rentals are recognised on a time proportion basis.

11.1.4 Dividends
Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

11.1.5 Charges
Revenue arising from the application of the approved tariff of charges is recognised when the service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

11.1.6 Income from agency services
Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

11.1.7 Housing rental and instalments
Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

11.1.8 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

11.1.9 Public contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

11.2 Revenue from non-exchange transactions

11.2.1 Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

11.2.2 Fines

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

11.2.3 Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.

11.2.4 Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

12. CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

13. PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the municipality.

14 POST RETIREMENT BENEFITS

14.1 Pension, Provident and Retirement Funds

The Municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

14.2 Medical Aid: Continued Members

The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the medical aid funds, with which the Municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

15. LEASES

The Municipality as Lessee
In terms of IAS 17, leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

The Municipality as Lessor
Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

16. BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

17. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

18. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

19. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

20. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

21. FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

22. COMPARATIVE INFORMATION

22.1 Current year comparatives*:*
Budgeted amounts have been included in the annual financial statements.

22.2 Prior year comparatives:
When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

		2008 R	2007 R
1	**HOUSING DEVELOPMENT FUND**		
	Housing Development Fund	3 317 403	3 305 463
	Unappropriated Surplus	3 317 403	3 305 463
	The Housing Development Fund is represented by the following assets and liabilities		
	Instalment Sales Debtors (see note 12)	48 899	49 700
	Consumer Debtors (see note 14)	9 835	9 942
	Cash and cash equivalents	3 258 669	3 245 821
	Total Housing Development Fund Assets and Liabilities	**3 317 403**	**3 305 463**
2	**LONG TERM LIABILITIES**		
	Annuity Loans (Classification : held to maturity)	50 661 427	57 544 426
	Capitalised Lease Liability	0	0
	Sub-Total	50 661 427	57 544 426
	Less: Current portion transferred to current liabilities	7 591 851	6 989 445
	Annuity Loans	7 591 851	6 989 445
	Total External Loans	**43 069 576**	**50 554 981**
	Refer to Appendix A for more detail on long-term liabilities.		
3	**NON-CURRENT PROVISIONS**		
	Provision for rehabilitation of tip sites	3 743 400	3 282 000
	Provision for the clearing out of alien vegetation	3 030 000	5 100 000
	Provision for the cleaning up of illegal dumping	1 172 580	4 282 000
	Provision for post retirement benefits	43 442 828	37 065 122
	Total Non-Current Provisions	**51 388 808**	**49 729 122**
	Provision for rehabilitation of tip sites		
	Balance at beginning of year	3 282 000	4 432 000
	Transfer from non-current		
	Contributions to provision	1 188 112	0
	Transfer to current provisions	-726 712	-1 150 000
	Balance at end of year	**3 743 400**	**3 282 000**
	The cost to rehabilitate the site is earmarked at R5 318 400. Provision for R1 575 000 has been made for this program in the 2008/2009 operating budget		
	Provision for the clearing out of alien vegetation		
	Balance at beginning of year	5 100 000	1 225 000
	Transfer from non-current	(1 249 619)	
	Contributions to provision		4 875 000
	Transfer to current provisions	(820 381)	-1 000 000
	Balance at end of year	**3 030 000**	**5 100 000**
	A total area of 26 154ha must be cleared during the next five years and the estimated cost amounts to R4,03m of which an amount of R1m has been provided for in the 2008/2009 operating budget		

	2008 R	2007 R
Provision for the cleaning up of illegal dumping		
Balance at beginning of year	4 282 000	4 405 400
Transfer from non-current		(123 400)
Contributions to provision	2 152 899	0
Transfer to current provisions	-5 262 319	0
Balance at end of year	**1 172 580**	**4 282 000**

The estimated cost to clean up all illegal dumping in Overstrand amounts to R4 267 000

Provision for post retirement benefits		
Balance at beginning of year	37 065 122	37 065 122
Transfer to current provisions	-1 085 799	0
Contributions to provision	1 105 431	
Adjustment for actuarial valuation	6 358 074	0
Balance at end of year	**43 442 828**	**37 065 122**

Post retirement benefits relating to health care benefits and long service bonuses have been provided for. An actuarial valuation has been carried out by a professional actuary as at 30 June 2007. The provision has been adjusted with the projection from the 2007 report.

4 CONSUMER DEPOSITS

Electricity and water	10 220 922	8 861 602
Total Consumer Deposits	**10 220 922**	**8 861 602**

5 CURRENT PROVISIONS

Rehabilitation of tip sites	1 575 000	1 150 000
Clearing out of alien vegetation	1 000 000	1 000 000
Cleaning up of illegal dumping	3 094 420	0
Post retirement benefits	1 193 866	1 213 498
Total Provisions	**6 863 286**	**3 363 498**

The movement in current provisions are reconciled as follows:		
Balance at beginning of year	3 363 498	1 213 498
Transfer from non-current	7 895 210	2 150 000
Contributions to provision		0
Expenditure incurred	-4 395 422	0
Balance at end of year	**6 863 286**	**3 363 498**

6 CREDITORS (Classification: Contractual obligations at fair value)

Trade creditors	49 041 129	31 559 935
Staff leave	4 920 100	4 842 455
Payments received in advance	5 568 212	4 476 392
Suspence accounts		2 255 447
Control account - salaries	29 621	0
Control account - sundry	6 736 299	42 274 750
Control account - Creditors	2 080 921	2 890 287
Retention money	7 859 419	3 837 508
Deposits - Builders	6 073 174	6 093 709
Deposits - Other	195 299	154 553
Insurance claims	65 783	19 366
Prepaid Vending	1 670 159	338 298
Total Creditors	**84 240 116**	**98 742 699**

7 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

7.1 Conditional Grants from other spheres of Government	**4 860 759**	**7 400 367**
National Government Grants	1 501 688	1 172 647
Provincial Government Grants	3 357 347	6 225 996
District Municipality Grants	1 724	1 724
7.2 Other Conditional Receipts	**14 497 631**	**17 452 118**
Developers Contribution - Electricity	2 539 139	3 159 542
Developers Contribution - Water	4 333 770	6 936 989
Developers Contribution - Sewerage	2 799 900	4 060 339
Developers Contribution - Roads	381 371	16 702
Developers Contribution - Storm Water	24 612	24 612
Developers Contribution - Sandbaai Erf 1448 - 14 Units	731 245	731 245
Developers Contribution - Parking	1 881 021	1 888 608
Public contributions	1 806 572	634 080
Total Conditional Grants and Receipts	**19 358 390**	**24 852 485**

8 VAT (Classification : loans and receivables)

Vat receivable/ (payable)	**10 616 700**	**4 939 750**

Vat is payable on the receipts basis. Only when payment is received from debtors, VAT is paid over to SARS.

9 PROPERTY, PLANT AND EQUIPMENT

See next spreadsheet (note 9)

	2008 R	2007 R
10 INVESTMENT PROPERTY		
Fair Value	0	0
Total Investment Property	**0**	**0**
Reconciliation of investment property		
Opening balance of investment property	0	33 645 323
Transferred (See note 28)		-33 645 323
Closing balance of investment property	**0**	**0**

The value of investment properties recorded in the 2006 financial year, have been re-allocated to Property, Plant and Equipment due to the incorrect classification of these properties.

The recognition of assets as Investment Properties will be done by 30 June 2009.

Revenues earned from rentals are included in the statement of financial performance.

11 INVESTMENTS			
Financial Assets			
Fixed Deposits	(Classification : held to maturity)	**8 220 660**	**8 134 323**
12 LONG-TERM RECEIVABLES	(Classification : loans and receivables)		
Land sales		29 748	38 120
Officials: Car loans		383 526	830 119
Officials: Study loans		21 808	27 909
Officials: Bursary Fund		4 206	4 206
Housing selling scheme loans		48 899	49 700
Sport clubs		322 505	451 871
		810 692	1 401 925
Less: Current portion transferred to current receivables		365 417	498 059
Officials: Car loans		253 842	375 880
Officials: Study loans & Bursaries		26 014	32 115
Housing scheme loans		902	701
Sport clubs		84 660	89 364
Total		**445 275**	**903 866**

Land Sales

These erven formed part of the prevoius RDP housing developments and were identified for sale to religious organisations and business premises for SMME's.

Car Loans

Senior staff were entitled to car loans which attracts interest at 8% per annum and which are repayable over a maximum period of 6 years. These loans are repayable in the year 2010.

Study Loans & Bursaries

Bursaries are awarded to staff members for studies at tertiary institutions. If the student should fail, the bursary is converted to a loan, which is repayable over twelve months.

Housing Scheme Loans

The outstanding balances of two church sites attract interest at 13,5% p.a. and will be repaid by 2023 and 2028

Sports Clubs & Other Organisations

The outstanding balances of loans to sports clubs and other bodies attract interest at 5% p.a. and are payable between 2009 and 2020

13 INVENTORY		
Consumable stores - at weighted average	4 722 631	1 899 515
Total Inventory	**4 722 631**	**1 899 515**

14 CONSUMER DEBTORS (Classification : loans and receivables)

	Gross Balances	Provision for Bad Debts	Net Balance
As at 30 June 2008			
Service debtors	37 366 635	13 821 380	23 545 254
Rates	9 083 675	3 103 269	5 980 406
Trading Services (Electricity & Water)	18 902 865	5 881 955	13 020 910
Economic Services (Sewerage & Refuse)	9 380 095	4 836 157	4 543 938
Housing Rentals	9 835	3 569	6 266
Other	3 739 461	1 978 280	1 761 181
Total	**41 115 931**	**15 803 229**	**25 312 701**
As at 30 June 2007			
Service debtors	34 460 877	9 854 346	24 606 531
Rates	9 671 928	1 675 036	7 996 893
Trading Services (Electricity & Water)	17 232 710	4 649 385	12 583 325
Economic Services (Sewerage & Refuse)	7 556 239	3 529 926	4 026 313
Housing Rentals	9 942	4 666	5 276
Other	2 689 456	1 780 010	909 445
Total	**37 160 274**	**11 639 022**	**25 521 252**

	2008 R	2007 R
Rates: Ageing		
Current (0 - 30 days)	5 584 461	4 689 564
31 - 60 Days	171 897	2 058 659
61 - 90 Days	154 843	391 790
91 - 120 Days	69 205	94 034
+ 120 Days	3 103 269	2 437 881
Total	**9 083 675**	**9 671 928**
Trading Services (Electricity and Water): Ageing		
Current (0 - 30 days)	11 616 499	9 432 337
31 - 60 Days	603 188	1 696 599
61 - 90 Days	460 824	858 793
91 - 120 Days	340 399	595 596
+ 120 Days	5 881 955	4 649 385
Total	**18 902 865**	**17 232 710**
Economic Services (Sewerage and Refuse): Ageing		
Current (0 - 30 days)	3 958 417	2 763 543
31 - 60 Days	255 505	598 570
61 - 90 Days	204 157	395 587
91 - 120 Days	125 859	268 613
+ 120 Days	4 836 157	3 529 926
Total	**9 380 095**	**7 556 239**
Housing rentals: Ageing		
Current (0 - 30 days)	4 967	2 439
31 - 60 Days	920	1 330
61 - 90 Days	372	784
91 - 120 Days	6	724
+ 120 Days	3 569	4 666
Total	**9 835**	**9 942**
Other: Ageing		
Current (0 - 30 days)	1 073 960	638 987
31 - 60 Days	516 220	137 334
61 - 90 Days	146 700	79 868
91 - 120 Days	24 301	53 257
+ 120 Days	1 978 280	1 780 010
Total	**3 739 461**	**2 689 456**

Summary of Debtors by Customer Classification

30 June 2008	Consumers R	Industrial/ Commercial R	National and Provincial Gov R
Current (0 - 30 days)	18 242 231	3 661 163	334 911
31 - 60 Days	1 399 746	97 937	50 048
61 - 90 Days	824 653	114 139	28 105
91 - 120 Days	506 967	35 634	17 168
+ 120 Days	12 994 317	2 099 118	709 794
Sub-total	**33 967 913**	**6 007 991**	**1 140 026**
Less: Provision for bad debts	12 994 317	2 099 118	-
Total debtors by customer classification	**20 973 596**	**3 908 873**	**1 140 026**

30 June 2007	Consumers R	Industrial/ Commercial R	National and Provincial Gov R
Current (0 - 30 days)	14 655 110	2 568 715	303 045
31 - 60 Days	3 933 827	500 415	58 249
61 - 90 Days	1 502 789	194 913	29 120
91 - 120 Days	907 486	83 078	21 661
+ 120 Days	9 513 615	2 125 408	762 845
Sub-total	**30 512 826**	**5 472 529**	**1 174 919**
Less: Provision for bad debts	9 513 615	2 125 408	-
Total debtors by customer classification	**20 999 212**	**3 347 121**	**1 174 919**

	2008 R	2007 R
Reconcilliation of bad debt provision		
Balance at beginning of the year	11 639 022	16 028 454
Contributions to provision	4 834 083	315 962
Bad debts written off against provision	(669 876)	(4 705 394)
Reversal of provision	0	0
Balance at end of year	**15 803 229**	**11 639 022**

15 OTHER DEBTORS (Classification : loans and receivables)

Control accounts - salaries	0	60 370
Control accounts - sundry	23 336 507	14 457 266
Control accounts - debtors	30 126 431	46 448 075
Subsidy claims	0	0
Deposits	101 122	47 322
Total Other Debtors	**53 564 060**	**61 013 033**

16 CALL INVESTMENT DEPOSITS

Overberg Agri Shares	(Classification : available for sale)	0	17 454
Other Deposits	(Classification : held to maturity)	50 000 000	55 000 000
		50 000 000	**55 017 454**

Market valuation of listed investments

Overberg Agri Shares (4672 ordinary shares). The shares were sold	0	259 763

		2008 R	2007 R
17	**BANK, CASH AND OVERDRAFT BALANCES** (Classification : available for sale)		
	The Municipality has the following bank accounts:		
	ABSA - Account Number 322 000 0035 (Hermanus - Primary Bank Account)		
	Cash book balance at beginning of year	140 340 482	31 600 965
	Cash book balance at end of year	166 616 889	140 340 482
	Bank statement balance at beginning of year	103 879 545	24 951 006
	Bank statement balance at end of year	48 300 352	103 879 545
	ABSA - Account Number 322 017 0240 (Gansbaai)		
	Cash book balance at beginning of year	(18 649 801)	(2 272 730)
	Cash book balance at end of year	-28 888 283	-18 649 801
	Bank statement balance at beginning of year	1 145 293	4 849 814
	Bank statement balance at end of year	8 043	1 145 293
	ABSA - Account Number 405 835 6861 (Hangklip-Kleinmond)		
	Cash book balance at beginning of year	(29 400 193)	(9 050 571)
	Cash book balance at end of year	-41 388 278	-29 400 193
	Bank statement balance at beginning of year	1 089 905	5 092 135
	Bank statement balance at end of year	26 969	1 089 905
	ABSA - Account Number 405 589 9787 (Onrus Caravan Park)		
	Cash book balance at beginning of year	(253 046)	29 355
	Cash book balance at end of year	(292 395)	(253 046)
	Bank statement balance at beginning of year	13 237	38 812
	Bank statement balance at end of year	6 006	13 237
	ABSA - Account Number 405 642 0921 (Traffic Department)		
	Cash book balance at beginning of year	(111 828)	1 076 991
	Cash book balance at end of year	(309 084)	(111 828)
	Bank statement balance at beginning of year	399 224	1 179 909
	Bank statement balance at end of year	163 206	399 224
	ABSA - Account Number 406 657 8021 (Debtors Acc's)		
	Cash book balance at beginning of year	-6 891 354	-
	Cash book balance at end of year	-75 287 487	-6 891 354
	Bank statement balance at beginning of year	1 606 441	-
	Bank statement balance at end of year	172 219	1 606 441
	Cash on hand in cash floats:	9 920	9 920
	Total Bank and Cash	**20 461 282**	**85 044 179**

		2008 R	2007 R
18 PROPERTY RATES			
Income			
Residential		66 355 209	61 789 189
Commercial		9 868 423	7 846 984
Agricultural		0	2 344 927
		76 223 632	71 981 101
Less: Exempted properties		0	0
Total Assessment Rates		**76 223 632**	**71 981 101**
		Jun 2008	**Jun 2007**
Valuations		**R000's**	**R000's**
Residential		10 509 515	9 752 383
Commercial		1 153 895	1 070 874
Agricultural		0	353 762
Exempted properties		319 351	293 040
Total Property Valuations		**11 982 761**	**11 470 059**

Valuations on land and buildings are undertaken every four years. The last valuation came into effect on 1 July 2003. Interim valuations are processed annually. A general rate of 0,6754 c/R and 0,9118 c/R for residential and commercial respectively (2006/2007: 0,6372 c/R and 0,7328 c/R) is applied to property valuations to determine assessment rates. Rebates ranging between 20% & 40% are applied to pensioners and up to 90% on certain rural properties. Rates are levied on an annual basis and can be paid in instalments or annually. The final date of payment for annual rates was 30 September 2007. Interest at prime plus 1% is levied on outstanding rates.

		2008 R	2007 R
19 SERVICE CHARGES			
Sale of electricity		89 226 299	82 891 055
Sale of water		43 810 733	41 210 674
Refuse removal		26 594 007	24 635 442
Sewerage and sanitation charges		29 106 097	25 959 788
Total Service Charges		**188 737 136**	**174 696 958**
20 GOVERNMENT GRANTS AND SUBSIDIES			
Operating:		16 621 422	14 622 703
National FMG Grant	20.1A	467 959	1 225 950
National Equitable share	20.1B	15 446 463	13 018 253
Provincial Health Subsidy	20.2B	0	0
Provincial Proclaimed Roads Maintenance	20.2C	707 000	368 000
Provincial Cleanest Town	20.2F	0	0
Provincial Town Planning Subsidy	20.2M	0	0
Provincial Other	20.2N	0	10 500
Capital Projects:		10 083 011	15 976 549
National DME - INEP	20.1C	3 384 000	1 500 000
Provincial MIG funds 2006/07	20.2A	4 060 000	4 389 000
Provincial Informal Settlement Re-Location	20.2G	0	5 824
Provincial Social Housing Projects	20.2J	2 239 011	7 172 642
Provincial Multipurpose Centre	20.2K	400 000	2 909 082
Overberg DM Health Centre	20.3A	0	0
Total Government Grant and Subsidies		**26 704 432**	**30 599 252**

	2008 R	2007 R
20.1A Conditional Grants: National - FMG Grant		
Balance unspent at beginning of year	1 172 647	1 898 597
Current year receipts	500 000	500 000
Conditions met - transferred to revenue	-467 959	-1 225 950
Conditions still to be met - transferred to liabilities (see note 7)	**1 204 688**	**1 172 647**

The Financial Management Grant is paid by National Treasury to all municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The MFMA Grant also pays for the cost of the Financial Management Internship Programme (eg salary costs of the Financial Management Interns).

20.1B Conditional Grants: National - Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy based on the basic service charges for water, electricity, sewerage, refuse and 6kl free basic water and 50kwh unit of electricity (2007: same principle applied), which is funded from this grant.

20.1C Conditional Grants: National - DME - INEP

Balance unspent at beginning of year	0	0
Current year receipts	3 384 000	1 500 000
Conditions met - transferred to revenue	-3 384 000	-1 500 000
Conditions still to be met - transferred to liabilities (see note 7)	**0**	**0**

20.2A Conditional Grants: Provincial - MIG FUNDS 2006/07 Allocation

Balance unspent at beginning of year	1 457 049	0
Current year receipts	2 602 951	5 846 049
Conditions met - transferred to revenue	-4 060 000	-4 389 000
Conditions still to be met - transferred to liabilities (see note 7)	**0**	**1 457 049**

20.2B Conditional Grants: Provincial - Health Subsidies

Balance unspent at beginning of year	0	0
Current year receipts - included in public health vote		
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 7)	**0**	**0**

The Municipality rendered health services on behalf of the Provincial Government on an agency service basis. As from 1 April 2007 this service has been totally rendered by the Provincial Government.

20.2C Conditional Grants: Provincial - Main Road Subsidy

Balance unspent at beginning of year	0	0
Current year receipts - included in roads maintenance vote	707 000	368 000
Conditions met - transferred to revenue	-707 000	-368 000
Conditions still to be met - transferred to liabilities (see note 7)	**0**	**0**

20.2D Conditional Grants: Provincial - Water Conservation

Balance unspent at beginning of year	421 039	421 039
Current year receipts		
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 7)	**421 039**	**421 039**

	2008 R	2007 R
20.2E Conditional Grants: Provincial - Spaces 4 Sport		
Balance unspent at beginning of year	1 500 000	0
Current year receipts		1 500 000
Conditions met - transferred to revenue	-1 500 000	0
Conditions still to be met - transferred to liabilities (see note 7)	**0**	**1 500 000**
20.2G Conditional Grants: Provincial - Informal Settlement Re-Location		
Balance unspent at beginning of year	501 763	507 587
Current year receipts		
Conditions met - transferred to revenue	0	-5 824
Conditions still to be met - transferred to liabilities (see note 7)	**501 763**	**501 763**
20.2H Conditional Grants: Provincial - Hemel en Aarde Structure Plan		
Balance unspent at beginning of year	114 563	114 563
Current year receipts		
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 7)	**114 563**	**114 563**
20.2I Conditional Grants: Provincial - 2004/032 ST Water Resources		
Balance unspent at beginning of year	50 000	50 000
Current year receipts		
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 7)	**50 000**	**50 000**
20.2J Conditional Grants: Provincial - Social Housing		
Balance unspent at beginning of year	0	0
Current year receipts	2 239 011	7 172 642
Conditions met - transferred to revenue	-2 239 011	-7 172 642
Conditions still to be met - transferred to liabilities (see note 7)	**0**	**0**
20.2K Conditional Grants: Provincial - Multipurpose Centre		
Balance unspent at beginning of year	694 435	3 603 517
Current year receipts	400 000	
Conditions met - transferred to revenue	-400 000	-2 909 082
Conditions still to be met - transferred to liabilities (see note 7)	**694 435**	**694 435**
20.2L Conditional Receipts: Other - Schulphoek Resort		
Balance unspent at beginning of year	784 899	784 899
Current year receipts		0
Conditions met - transferred to revenue		0
Conditions still to be met - transferred to liabilities (see note 7)	**784 899**	**784 899**
20.2M Conditional Receipts: Provincial - Town Planning Subsidy		
Balance unspent at beginning of year	0	0
Current year receipts		
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities (see note 7)	**0**	**0**

	2008	2007
	R	R
20.2N Conditional Receipts: PAWC: Other Grants		
Balance unspent at beginning of year	702 247	702 247
Current year receipts		10 500
Conditions met - transferred to revenue		-10 500
Conditions still to be met - transferred to liabilities (see note 7)	**702 247**	**702 247**
20.3A Conditional Receipts: ODM: Health Centre		
Balance unspent at beginning of year	1 724	1 724
Current year receipts		
Conditions met - transferred to revenue	0	0
Conditions still to be met - transferred to liabilities (see note 7)	**1 724**	**1 724**

20.3 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (2006), government grant funding is expected to increase over the two years 2008/09 and 2009/10.

21 OTHER INCOME

Other income	20 587 545	10 165 264
Total Other Income	**20 587 545**	**10 165 264**

Other income has increased by R11 475 401 (representing an 112% icrease) since the previous financial year and is identified mainly as follows:

Sundry income	7 904 183	8 148 261
Public contributions	12 683 363	2 017 003
	20 587 545	**10 165 264**

21a LEASES

Municipality as Lessor		
Finance leases	**0**	**0**
Operating leases	**23 047 267**	**5 371 142**
(i) Not later than one year	22 841 525	0
(ii) Later than one year and not later than five years	131 537	0
(iii) Later than five years: Land and Buildings	74 205	5 371 142
	23 047 267	**5 371 142**
Municipality as Lessee		
Finance leases	**0**	**0**
Operating leases	**1 395 025**	**2 951 321**
(i) Not later than one year	1 212 441	979 596
(ii) Later than one year and not later than five years	182 584	1 971 725
(iii) Later than five years	0	0
	1 395 025	**2 951 321**

	2008 R	2007 R
22 EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	63 933 928	53 220 356
Employee related costs - Contributions for UIF, pensions and medical aids	17 447 608	14 672 688
Travel, motor car, accommodation, subsistence and other allowances	7 140 632	6 544 342
Housing benefits and allowances	980 714	708 897
Overtime payments	10 194 286	8 477 043
Performance bonus	4 629 782	4 060 577
Long-service awards	350 745	303 177
Contribution to Full Time Union Representitive	58 987	70 952
Total Employee Related Costs	**104 736 682**	**88 058 032**
There were no advances to employees. Loans to employees are set out in note 12.		
Remuneration of the Municipal Manager from July 07 to Jan.08		
Annual Remuneration	338 461	527 220
Performance Bonus	35 654	70 000
Car Allowance	67 051	108 000
Computer Allowance	3 800	6 060
Council Contributions to UIF, Medical and Pension Funds	1 451 118	121 202
Total	**1 896 084**	**832 482**
Acting as Municipal Manager from Nov.07 to March 08 by Head: Management Services	**75 000**	
Remuneration of the Municipal Manager from April 08 to June 08		
Annual Remuneration	183 473	
Performance Bonus		
Car Allowance	15 000	
Computer Allowance		
Office Allowance		
Council Contributions to UIF, Medical and Pension Funds	40 027	
Total	**238 500**	
Remuneration of the Director: Finance from July 07 to September 07		
Annual Remuneration	404 355	
Performance Bonus	10 300	
Car Allowance	32 745	
Housing Subsidy	1 662	
Computer Allowance	789	
Council Contributions to UIF, Medical and Pension Funds	27 164	
Total	**477 015**	
Acting Director: Finance from July 07 to Jan 08 by Project Manager	**105 000**	
Remuneration of the Director: Finance from February 08 to June 08		
Annual Remuneration	199 830	416 132
Performance Bonus		
Car Allowance	32 141	130 980
Housing Subsidy		5 556
Computer Allowance		2 937
Council Contributions to UIF, Medical and Pension Funds	39 607	101 525
Total	**271 578**	**657 130**

	2008 R	2007 R
Remuneration of the Director: Community Services		
Annual Remuneration	360 013	337 004
Performance Bonus	16 414	40 240
Car Allowance	132 978	125 345
Computer Allowance	3 908	2 736
Council Contributions to UIF, Medical and Pension Funds	88 652	74 431
Total	**601 965**	**579 756**
Remuneration of the Director: Infrastructure & Planning (From August 2006)		
Annual Remuneration	437 508	352 133
Performance Bonus	22 500	53 350
Car Allowance	129 530	
Computer Allowance	6 513	5 560
Council Contributions to UIF, Medical and Pension Funds	108 922	87 046
Total	**704 973**	**498 089**
Remuneration of the Director: Local Economic Development		
Annual Remuneration	323 352	300 839
Performance Bonus		30 382
Car Allowance	131 134	130 114
Computer Allowance	13 809	12 847
Council Contributions to UIF, Medical and Pension Funds	71 074	66 295
Total	**539 369**	**540 477**

23 INTEREST PAID

Long-term liabilities	5 493 212	6 397 901
Bank overdrafts	0	0
Total Interest on External Borrowings	**5 493 212**	**6 397 901**

24 BULK PURCHASES

Electricity	42 831 232	39 256 492
Water	0	0
Total Bulk Purchases	**42 831 232**	**39 256 492**

25 REMUNERATION OF COUNCILLORS

Executive Mayor	467 296	448 097
Deputy Executive Mayor	322 239	366 127
Speaker	373 836	361 158
Mayoral Committee Members	700 944	734 048
Councillors	1 758 008	1 972 756
Total Councillors' Remuneration	**3 622 323**	**3 882 186**

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time councillors. Each one is provided with an office and secretarial support at the cost of the Council. Councillors may utilize official Council transportation when engaged in official duties.

26 GRANTS AND SUBSIDIES PAID

Grant to Tourism Associations	963 855	1 501 338
Low Income Subsidy	9 350 079	11 276 688
Total Grants and Subsidies	**10 313 935**	**12 778 026**

	2008 R	2007 R
27 CORRECTION OF PRIOR PERIOD ERRORS		
The following adjustments were made to amounts previously reported in the Annual Financial Statements of the Municipality arising from the incorrect classification of properties:		
27.1 Investment Properties		
Balance previously reported		33 645 323
Correction of error:		
Transferred to Property, Plant & Equipment		(33 645 323)
		0
27.2 Sale of Land		
Balance at beginning of the year		18 000 000
Revaluation		
Disposal		(18 000 000)
		0
The gain recognised on the sale of these properties amounts to R30 703 418.		
27.3 Post retirement benefits		
An estimate was previously reported for post retirement benefits. An actuarial valuation has since been carried out by a professional actuary.		
Balance at beginning of the year		38 278 620
Provision		
Adjustment for actuarial valuation		0
		38 278 620
28 CORRECTION OF ERROR		
During the year ended 30 June 2008, expenses were incurred and corrections were made that related to the financial year 30 June 2007.		
Details of the corrections and expenses are as follows:		
Corrections on creditors for previous years (SARS PAYE 2002 - 2006)		(805 420)
Corrections on income of previous years (Overstatement of services charges income for previous years)	(522 380)	(502 847)
Decrease in accumulated surplus	**(522 380)**	**(1 308 267)**

	2008 R	2007 R
29 CASH GENERATED BY OPERATIONS		
Surplus for the year	89 716 641	87 552 199
Adjustment for:		
Correction of prior year error	(5 333 614)	(1 308 267)
Depreciation	26 368 168	25 007 753
Gain on disposal of property, plant and equipment	(17 458 509)	(38 430 776)
Contribution to provisions - non-current	2 091 391	2 679 600
Dividends received	(190 049)	(7 075)
Investment income	(17 115 431)	(14 024 237)
Interest paid	5 493 212	6 397 901
Operating surplus before working capital changes	**83 571 810**	**67 867 098**
(Increase)/Decrease in inventories	(2 823 116)	(430 521)
(Increase)/Decrease in debtors	208 551	(5 349 640)
(Increase)/Decrease in other debtors	7 448 973	(54 126 590)
Increase/(Decrease) in provisions	3 068 083	2 072 000
Increase/(Decrease) in conditional grants and receipts	(5 494 095)	1 112 983
Increase/(Decrease) in creditors	(14 502 583)	72 966 513
(Increase)/Decrease in Vat	(5 676 951)	(4 916 758)
Cash generated by operations	**65 800 672**	**79 195 084**

30 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:

Bank balances and cash	20 461 282	85 044 179
Call investment deposits	50 000 000	55 017 454
Bank overdraft	0	0
Total cash and cash equivalents	**70 461 282**	**140 061 633**

31 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 2)	50 661 427	57 544 426
Used to finance property, plant and equipment - at cost	50 661 427	57 544 426
Sub-total	0	-
Cash set aside for the repayment of long-term liabilities (see note 2)	7 591 851	6 989 445
Cash invested for repayment of long-term liabilities	**7 591 851**	**6 989 445**

External loans have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

32 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

A cash shortage of R14230 was discovered at the Traffic department. The Council has written this amount off in terms of section 32 & 34 of the MFMA.

	2008 R	2007 R
33 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
33.1 Contributions to organised local government - SALGA		
Opening balance	0	0
Council subscriptions	411 556	276 184
Amount paid - current year	-411 556	-276 184
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	**0**	**0**
33.2 Audit fees		
Opening balance	0	0
Current year audit fee	1 645 709	1 078 951
Amount paid - current year	-1 645 709	-1 078 951
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	**0**	**0**
33.3 VAT		
VAT is accounted for on the payment basis. The net input/output VAT is paid/claimed from SARS.		
33.4 PAYE, UIF and SDL		
Opening balance	0	0
Current year payroll deductions	11 260 042	10 491 530
Amount paid - current year	-11 260 042	-10 491 530
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	**0**	**0**
33.5 Pension and Medical Aid Deductions		
Opening balance	0	0
Current year payroll deductions and Council contributions	17 447 608	14 672 688
Amount paid - current year	-17 447 608	-14 672 688
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	**0**	**0**

33.6 Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at:

30 June 2008	**Total**	**Outstanding up to 90 days**	**Outstanding more than 90 days**
Total Councillor Arrear Consumer Accounts	**0**	**0**	**0**

30 June 2007	**Total**	**Outstanding up to 90 days**	**Outstanding more than 90 days**
Total Councillor Arrear Consumer Accounts	**0**	**0**	**0**

During the year the following Councillors had arrear accounts outstanding for more than 90 days.

30 June 2008	**Highest amount outstanding**	**Ageing** > 90 Days

30 June 2007	**Highest amount outstanding**	**Ageing**

> 90 Days

	2008 R	2007 R
34 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for	0	0
Infrastructure	0	0
Community	0	0
Other	0	0
- Approved but not yet contracted for	167 127 961	167 893 100
Infrastructure	111 448 286	120 440 000
Community	31 682 000	11 385 000
Heritage		
Other	23 997 675	36 068 100
Total	**167 127 961**	**167 893 100**
This expenditure will be financed from:		
External Loans	40 000 000	40 000 000
Capital Replacement Reserve	73 207 961	81 141 100
Government Grants	28 420 000	16 752 000
Public Contributions		10 000 000
Unappropriated Surplus	25 500 000	20 000 000
	167 127 961	**167 893 100**

35 RETIREMENT BENEFIT INFORMATION

Councillors, so chosing, may become members of the Municipal Councillors Pension Fund. Member and Council contributions are recovered from the structured remuneration packages.

Employees belong to collective bargaining approved defined contribution pension or defined benefit retirement funds. Employer contributions ranges between 12% and 19,50%.

An amount of R11 356 882 was contributed by Council in respect of employee's retirement funding. These contributions have been expensed.

36 IN-KIND DONATIONS AND ASSISTANCE

No in-kind donations and assistance was received during the year under review.

37 EVENTS AFTER THE REPORTING DATE

No significant events, knowledge of which would have influenced the users of the statements in making correct evaluations and decisions, occurred after the date of the financial statements and the date of approval thereof.

38 CONTINGENT LIABILITIES

The Council has approved a letter of undertaking to the amount of R1 million for the development of the Kleinmond Harbour. A provisional claim amounting to approx. R750 000 has been received from the Development Bank of Southern Africa for expenses incurred on the afore-mentioned project

39 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures E(1) and E(2).

40 RELATED PARTY DISCLOSURES

All Councillors have disclosed their interests in related parties and no one has the ability to control or exercise significant influence over the Council in making financial and operating decisions.

41 INTANGIBLE ASSETS

Computer Software

The Municipality is a user of "Packaged Software" only and therefore all the the Application System Software is on a "Usage Licenced" basis entitling this municipality only to the use of the software and the support of the system by the Supplier. In terms of IAS38, it cannot be identified as an intangible asset.

Website Costs

The Municipality's website is also a Service Provider situation and therefore cannot be classified as an intangible asset.

42 MFMA EXEMPTIONS - IMPLEMENTATION PLAN

In terms of General Notice 522 of 2007, high capacity municipalities must disclose the progress made towards achieving full compliance with the standards referred to in section 122(3) of the MFMA. For this purpose the implementation plan submitted to the National Treasury is attached as Appendix G.

The extent to which the information in the annual financial statements would need to be adjusted for full compliance with those standards, is disclosed in the accounting policy and in the relevant notes to the annual financial statements.

43 AUTHORISATION FOR ISSUE

These financial statements are authorised for issue on 30 November 2008.

9 PROPERTY, PLANT AND EQUIPMENT

30 June 2008

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2007	34 895 323	234 262 182	24 595 900	1 088 522	69 301 778	364 143 705
Cost	34 895 323	321 823 109	29 747 106	1 088 522	113 184 948	500 739 007
Correction of error	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Accumulated depreciation	0	-87 560 927	-5 151 206	0	-43 883 170	-136 595 302
- Cost	0	-87 560 927	-5 151 206	0	-43 883 170	-136 595 302
- Revaluation	0	0	0	0	0	0
Acquisitions		80 285 259	10 977 944	0	15 764 622	107 027 825
Capital under Construction	0	41 205 658	4 361 488	0	7 058 046	52 625 192
Increases/decreases in revaluation	0	0	0	0	0	0
Depreciation	0	-18 281 545	-1 005 904	0	-7 080 719	-26 368 168
- based on cost	0	-18 281 545	-1 005 904	0	-7 080 719	-26 368 168
- based on revaluation	0	0	0	0	0	0
Carrying value of disposals	0	0	0	0	0	0
Cost/revaluation	0	0	0	0	0	0
Accumulated depreciation	0	0	0	0	0	0
Impaired losses	0	0	0	0	0	0
Other movements	0	0	0	0	0	0
Carrying values at 30 June 2008	34 895 323	337 471 554	38 929 428	1 088 522	85 043 726	497 428 554
Cost	34 895 323	443 314 026	45 086 537	1 088 522	136 007 615	660 392 024
Revaluation	0	0	0	0	0	0
Accumulated depreciation	0	-105 842 472	-6 157 110	0	-50 963 889	-162 963 470
- Cost	0	-105 842 472	-6 157 110	0	-50 963 889	-162 963 470
- Revaluation	0	0	0	0	0	0

30 June 2007

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2006	51 645 323	174 294 505	17 057 938	1 088 522	54 937 357	299 023 646
Cost	51 645 323	247 818 118	21 411 459	1 088 522	88 647 773	410 611 196
Correction of error	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Accumulated depreciation	0	-73 523 613	-4 353 521	0	-33 710 416	-111 587 549
- Cost	0	-73 523 613	-4 353 521	0	-33 710 416	-111 587 549
- Revaluation	0	0	0	0	0	0
Acquisitions	1 250 000	56 106 047	2 605 343	0	23 286 817	83 248 207
Capital under Construction	0	17 898 943	5 730 304	0	1 250 357	24 879 605
Increases/decreases in revaluation	0	0	0	0	0	0
Depreciation	0	-14 037 314	-797 685	0	-10 172 754	-25 007 753
- based on cost	0	-14 037 314	-797 685	0	-10 172 754	-25 007 753
- based on revaluation	0	0	0	0	0	0
Carrying value of disposals	-18 000 000	0	0	0	0	-18 000 000
Cost/revaluation	-18 000 000	0	0	0	0	-18 000 000
Accumulated depreciation	0	0	0	0	0	0
Impaired losses	0	0	0	0	0	0
Other movements	0	0	0	0	0	0
Carrying values at 30 June 2007	34 895 323	234 262 182	24 595 900	1 088 522	69 301 778	364 143 705
Cost	52 895 323	321 823 109	29 747 106	1 088 522	113 184 948	518 739 007
Revaluation	-18 000 000	0	0	0	0	-18 000 000
Accumulated depreciation	0	-87 560 927	-5 151 206	0	-43 883 170	-136 595 302
- Cost	0	-87 560 927	-5 151 206	0	-43 883 170	-136 595 302
- Revaluation	0	0	0	0	0	0

APPENDIX A

OVERSTRAND MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2008

	Loan Number	Redeemable	Balance at 30/06/2007 R	Received during the period R	Redeemed/ written off during period R	Balance at 30/06/2008 R	Other costs in accordance with MFMA R
ANNUITY LOANS							
DBSA @ 8.871%	13535/102	2020	4 083 266	0	314 097	3 769 168	
DBSA @ 9.171%	13543/101	2019	3 556 991	0	273 615	3 283 377	
DBSA @ 9.171%	13761/101	2020	3 520 047	0	260 744	3 259 303	
DBSA @ 12.00%	10450/1	2017	945 868	0	52 322	893 546	
DBSA @ 8,42%	102169/1	2022	16 996 176	0	527 117	16 469 059	
RAND MERCHANT @ 10.219%		2008	14 402 779	0	3 564 217	10 838 563	
INCA @ 12.82%		2012	14 039 299	0	1 890 887	12 148 411	
Total annuity loans			**57 544 426**	**0**	**6 882 999**	**50 661 427**	**0**
TOTAL EXTERNAL LOANS			**57 544 426**	**0**	**6 882 999**	**50 661 427**	**0**

APPENDIX B

OVERSTRAND MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				
	Opening Balance R	Additions R	Under Constuction R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	Carrying Value R
Infrastructure										
Access control	820 638			0	820 638	346 951	121 302	0	468 253	352 386
Car parks	1 640 503	6 132 298	298 210	0	8 071 011	273 781	130 481	0	404 263	7 666 748
Fencing	3 408 858	1 689 923		0	5 098 781	1 370 740	719 113	0	2 089 853	3 008 928
Footways	3 036 765	3 386 707		0	6 423 472	251 913	154 332	0	406 245	6 017 227
Kerbing	545 497	200 572		0	746 069	58 237	27 275	0	85 512	660 557
Load Control Equipme	8 821 211	8 745 816		0	17 567 028	702 466	402 592	0	1 105 057	16 461 970
Mains electrical	19 840 023	3 094 602		0	22 934 625	2 403 560	914 011	0	3 317 572	19 617 054
Mains water	8 254 498	3 392 717		0	11 647 215	464 929	400 001	0	864 930	10 782 285
Meters electrical	3 510 785	802 178		0	4 312 963	354 847	110 879	0	465 725	3 847 237
Meters water	219 215			0	219 215	102 588	13 961	0	116 549	102 666
Motorways	1 735 216			0	1 735 216	354 837	115 681	0	470 519	1 264 698
Outfall sewers	543 897			0	543 897	319 290	27 195	0	346 485	197 412
Paving	1 002 409	984 363		0	1 986 771	66 247	50 120	0	116 368	1 870 403
Purification works	10 780 703	600 000	21 434 119	0	32 814 822	2 592 865	541 535	0	3 134 400	29 680 422
Rights - water	2 360 000			0	2 360 000	590 000	118 000	0	708 000	1 652 000
Other roads	45 293 429	11 114 556	2 695 831	0	59 103 817	14 260 655	4 285 576	0	18 546 231	40 557 586
Security system	292 199			0	292 199	209 751	33 634	0	243 384	48 815
Sewers	53 731 634	4 475 656	4 480 964	0	62 688 254	24 560 229	2 684 082	0	27 244 311	35 443 943
Road Signage	64 145			0	64 145	25 658	12 829	0	38 487	25 658
Speed Control	293 329			0	293 329	173 630	29 333	0	202 963	90 366
Sewerage pumps	4 213 983	1 003 516		0	5 217 498	276 118	215 167	0	491 284	4 726 214
Street lighting	4 370 015	650 515		0	5 020 530	529 734	175 032	0	704 766	4 315 764
Supply/reticulation Ele	39 474 204	22 258 533	1 846 598	0	63 579 335	12 321 117	1 866 568	0	14 187 685	49 391 650
Supply/reticulation Wa	31 849 270			0	31 849 270	9 756 173	1 594 023	0	11 350 196	20 499 074
Stormwater drains	31 090 581	6 009 449	2 945 671	0	40 045 701	3 655 142	1 533 974	0	5 189 116	34 856 586
Switchgear	3 745 999	771 495		0	4 517 493	0	276 658	0	276 658	4 240 835
Reservoirs & tanks	33 986 076	4 572 381	7 504 264	0	46 062 721	10 399 030	1 496 378	0	11 895 408	34 167 313
Transformer kiosks	6 785 243			0	6 785 243	1 102 708	226 175	0	1 328 883	5 456 360
Traffic lights	112 782	399 984		0	512 766	37 730	5 639	0	43 369	469 397
	321 823 109	**80 285 259**	**41 205 658**	**0**	**443 314 026**	**87 560 927**	**18 281 545**	**0**	**105 842 472**	**337 471 554**

APPENDIX B

OVERSTRAND MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				
	Opening Balance R	Additions R	Under Constuction R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	Carrying Value R
Community Assets										
Beach development	823 044			0	823 044	55 983	21 405	0	77 389	745 656
Care centres	551 776			0	551 776	46 372	18 393	0	64 765	487 011
Cemeteries	457 711			0	457 711	88 024	15 221	0	103 245	354 466
Community centres	9 431 526	5 588 690	1 148 261	0	16 168 477	389 812	154 760	0	544 572	15 623 905
Fire stations	326 444	94 705		0	421 149	18 636	10 881	0	29 517	391 631
Floodlighting	900 966			0	900 966	33 706	45 048	0	78 755	822 212
Golf courses	402 194			0	402 194	341 865	20 110	0	361 975	40 219
Clinics/hospitals	1 295 310			0	1 295 310	508 124	43 177	0	551 301	744 009
Jukskei pitches	6 949			0	6 949	5 906	347	0	6 254	695
Libraries	3 630 670			0	3 630 670	436 634	121 022	0	557 656	3 073 014
Museums	95 999			0	95 999	3 200	3 200	0	6 400	89 599
Outdoor sports	3 580 972	3 542 297		0	7 123 269	667 431	250 315	0	917 746	6 205 523
Parks	631 904			0	631 904	38 400	21 728	0	60 129	571 776
Public conveniences	2 475 980	504 333	276 377	0	3 256 690	620 775	86 390	0	707 165	2 549 525
Recreation centres	3 865 680			0	3 865 680	1 578 818	135 646	0	1 714 464	2 151 216
Slipways	579 526	813 347		0	1 392 873	0	28 976	0	28 976	1 363 897
Stadiums	239 330	334 572		0	573 901	84 576	7 978	0	92 553	481 348
Swimming pools	226 924		2 936 850	0	3 163 774	42 372	9 680	0	52 052	3 111 723
Tennis courts	224 200	100 000		0	324 200	190 570	11 627	0	202 197	122 003
	29 747 106	**10 977 944**	**4 361 488**	**0**	**45 086 537**	**5 151 206**	**1 005 904**	**0**	**6 157 110**	**38 929 428**
Heritage Assets										
Heritage buildings	1 088 522			0	1 088 522	0		0	0	1 088 522
	1 088 522	**0**	**0**	**0**	**1 088 522**	**0**	**0**	**0**	**0**	**1 088 522**
Land and Buildings										
Land	34 895 323				34 895 323	0		0	0	34 895 323
	34 895 323	**0**		**0**	**34 895 323**	**0**	**0**	**0**	**0**	**34 895 323**

APPENDIX B

OVERSTRAND MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				
	Opening Balance R	Additions R	Under Constuction R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	Carrying Value R
Other Assets										
Air conditioner	181 594			0	181 594	108 149	24 482	0	132 630	48 963
Caravan Parks	4 795 589			0	4 795 589	2 566 054	159 853	0	2 725 907	2 069 681
Computer hardware	4 715 373	2 066 667		0	6 782 040	4 402 248	94 737	0	4 496 986	2 285 054
Compacting Stations	7 228 785			0	7 228 785	1 347 572	240 959	0	1 588 532	5 640 253
Radio equipment	1 123 075	271 113		0	1 394 187	1 123 075	5 074	0	1 128 149	266 039
Fire Equipment	75 865	201 956		0	277 821	10 115	5 058	0	15 173	262 648
General plant	7 303 607	1 818 173	154 657	0	9 276 438	2 675 423	980 303	0	3 655 726	5 620 712
Household refuse	138 811	149 150		0	287 961	101 795	56 965	0	158 760	129 201
Hostels - workers	258 055			0	258 055	92 621	4 627	0	97 248	160 806
Houses - municipal	765 597			0	765 597	393 259	25 520	0	418 779	346 818
Housing schemes	27 828 104	2 239 011		0	30 067 115	10 218 097	927 603	0	11 145 701	18 921 414
Irrigation systems	69 837			0	69 837	21 635	4 324	0	25 959	43 878
Miscellaneous furniture	3 047 152	2 245 364		0	5 292 516	3 047 152	8 943	0	3 056 095	2 236 421
Office building	23 870 062	208 777	783 150	0	24 861 989	3 880 711	835 673	0	4 716 385	20 145 604
Office machines	336 770			0	336 770	336 770		0	336 770	0
Other Land	239 794			0	239 794	54 583	7 977	0	62 560	177 234
Tip sites	2 765 926	131 408	5 920 578	0	8 817 912	208 466	52 629	0	261 095	8 556 817
Training Facilities	25 000			0	25 000	1 667	833	0	2 500	22 500
Transport Facilities	629 729			0	629 729	85 719	26 386	0	112 105	517 624
Vehicles	8 821 863	3 307 054		0	12 128 917	1 520 473	1 648 809	0	3 169 283	8 959 635
Vehicles: Fire Engines	704 573			0	704 573	446 445	32 266	0	478 711	225 862
Vehicles: Graders	527 065			0	527 065	465 969	23 155	0	489 125	37 940
Vehicles: Mechanical H	693 618			0	693 618	202 733	49 088	0	251 821	441 796
Vehicles: Trucks/bakki	14 376 881	2 917 702		0	17 294 584	9 968 924	1 713 299	0	11 682 223	5 612 361
Vehicles: Tractors	850 959			0	850 959	426 211	89 146	0	515 358	335 601
Workshop/Depots	1 811 266	208 247	199 660	0	2 219 173	177 302	63 007	0	240 308	1 978 864
	113 184 948	**15 764 622**	**7 058 046**	**0**	**136 007 615**	**43 883 170**	**7 080 719**	**0**	**50 963 889**	**85 043 726**
Total	**500 739 007**	**107 027 825**	**52 625 192**	**0**	**660 392 024**	**136 595 302**	**26 368 168**	**0**	**162 963 470**	**497 428 554**

APPENDIX C

OVERSTRAND MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				
	Opening Balance R	Additions R	Under Constuction R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	Carrying Value R
Executive & Council	470 649			0	470 649	292 833		0	292 833	177 816
Finance & Admin	34 344 892	13 043 097	1 137 467	0	48 525 456	11 839 255		0	11 839 255	36 686 201
Planning & Development	52 006 252			0	52 006 252	307 190		0	307 190	51 699 062
Health	567 522			0	567 522	359 612		0	359 612	207 911
Community & Social Services	15 037 324	6 187 728	1 424 638	0	22 649 690	3 788 967		0	3 788 967	18 860 723
Housing	28 486 906	2 239 011		0	30 725 916	10 578 708		0	10 578 708	20 147 208
Public Safety	5 219 875	1 891 879		0	7 111 754	2 177 840		0	2 177 840	4 933 913
Sport & Recreation	18 622 495	4 790 216	2 936 850	0	26 349 561	6 933 131		0	6 933 131	19 416 430
Environmental Protection	1 881 224			0	1 881 224	508 543		0	508 543	1 372 682
Waste Management	116 932 539	11 769 179	13 347 214	0	142 048 932	39 100 104		0	39 100 104	102 948 828
Road Transport	56 397 787	22 868 994	2 994 041	0	82 260 822	17 078 665		0	17 078 665	65 182 157
Water	82 623 567	8 565 098	28 938 383	0	120 127 048	23 314 790		0	23 314 790	96 812 258
Electricity	88 147 976	35 672 624	1 846 598	0	125 667 198	20 315 665		0	20 315 665	105 351 533
Total	**500 739 008**	**107 027 825**	**52 625 192**	**0**	**660 392 024**	**136 595 302**	**0**	**0**	**136 595 302**	**523 796 722**

APPENDIX D
OVERSTRAND MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R		2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R
13 038 267	17 139 328	-4 101 061	Executive & Council	15 709 275	15 644 482	64 794
127 787 245	49 739 535	78 047 710	Finance & Admin	173 869 367	84 492 409	89 376 958
7 715 462	16 116 197	-8 400 735	Planning & Development	4 781 890	11 946 495	-7 164 605
872	3 203	-2 331	Health	0		0
3 962 292	12 486 682	-8 524 390	Community & Social Services	416 394	10 043 069	-9 626 675
7 625 298	5 632 721	1 992 576	Housing	305 918	6 698 844	-6 392 926
6 602 333	13 206 652	-6 604 319	Public Safety	7 410 351	17 488 989	-10 078 638
4 944 693	14 224 427	-9 279 734	Sport & Recreation	5 544 148	21 328 150	-15 784 002
1 657 064	7 462 761	-5 805 697	Environmental Protection	160 047	3 523 885	-3 363 838
25 602 675	25 250 439	352 236	Solid Waste Management	26 694 094	25 432 374	1 261 720
28 973 759	26 981 960	1 991 799	Waste Management	29 106 097	29 031 897	74 200
368 580	26 625 021	-26 256 440	Road Transport	891	27 188 468	-27 187 577
43 583 111	30 723 142	12 859 969	Water	43 810 499	29 220 928	14 589 571
85 406 143	71 610 476	13 795 667	Electricity	89 183 531	74 241 772	14 941 760
357 267 794	**317 202 545**	**40 065 249**	Sub-Total	**396 992 503**	**356 281 762**	**40 710 741**
0	-47 486 950	47 486 950	Less: Inter-departemental Charges	0	-49 005 900	49 005 900
357 267 794	**269 715 595**	**87 552 199**	**Total**	**396 992 503**	**307 275 862**	**89 716 641**

UNAUDITED: APPENDIX E(1)

OVERSTRAND MUNICIPALITY: ACTUAL VS. BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2008

	2008 Actual R	2008 Budget R	2008 Variance R	2008 Variance %	Explanation of Significant Variances Greater than 10% versus Budget
REVENUE					
Property rates	76 223 632	77 813 840	(1 590 208)	-2	
Property rates - penalties imposed and collection cha	804 773	364 630	440 143	121	Decrease due to payment culture - Debtors paying accounts sooner
Service charges	188 737 136	192 415 170	(3 678 034)	-2	
Leases : Operating leases	28 129 212	5 174 700	22 954 512	444	
Interest earned - external investments	14 924 891	8 099 750	6 825 141	84	Constant investing of surplus funds
Interest earned - outstanding debtors	2 190 540	905 800	1 284 740	142	Decrease due to write-off's previous year
Dividends received	190 049	5 250	184 799	3 520	Subject to external decisions
Fines	3 634 457	4 588 970	(954 513)	-21	
Licences and permits	1 660 420	1 347 710	312 710	23	
Income from agency services	3 095 545	4 263 460	(1 167 915)	-27	
Government grants and subsidies	26 672 432	34 051 200	(7 378 768)	-22	
Other income	20 587 545	13 837 041	6 750 504	49	Conservative Other Income budget
Public contributions, donated and contributed property, plant and equipment	12 683 363	1 270 000	11 413 363	899	Additional capital public contributions received
Gains on disposal of property, plant and equipment	17 458 509	16 500 000	958 509	6	Variation year-on-year due to capital financing needs
Total Revenue	**396 992 503**	**360 637 521**	**36 354 982**	10	
EXPENDITURE					
Employee related costs	104 736 682	104 850 257	(113 575)	-0	
Remuneration of Councillors	3 622 323	3 913 280	(290 957)	-7	
Bad debts	4 834 083	1 500 000	3 334 083	222	Reduction in older outstanding debts
Collection costs	-	-	-		
Depreciation	26 368 168	28 226 580	(1 858 412)	-7	
Repairs and maintenance	34 226 302	37 188 761	(2 962 459)	-8	
Interest on borrowings	5 493 212	8 880 000	(3 386 788)	-38	External loans taken up at a later stage
Bulk purchases	42 831 232	43 597 790	(766 558)	-2	
Contracted services	9 597 927	11 596 045	(1 998 118)	-17	Further appointments to vacant posts
Grants and subsidies paid	10 313 935	10 313 856	79	0	
General expenses - other (including abnormal expen	65 251 999	68 110 462	(2 858 463)	-4	
Total Expenditure	**307 275 862**	**318 177 031**	**(10 901 169)**	-3	
NET SURPLUS/(DEFICIT) FOR THE YEAR	**89 716 641**	**42 460 490**	**47 256 151**		

UNAUDITED: APPENDIX E(2)
OVERSTRAND MUNICIPALITY: ACTUAL VS. BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2008

	2008 Actual R	2008 Budget R	2008 Variance R	2008 Variance %	Explanation of Significant Variances Greater than 5% versus Budget
Infrastructure					
Car parks	6 430 508	6 349 085	81 423	1	
Fencing	1 689 923	1 755 700	(65 777)	-4	
Footways	3 386 707	3 560 700	(173 993)	-5	
Kerbing	200 572	200 000	572	0	
Load Control Equipment	8 745 816	8 333 629	412 187	5	
Mains electrical	3 094 602	3 900 000	(805 398)	-21	Reprioritisation of capital budget
Mains water	3 392 717	2 750 000	642 717	23	Reprioritisation of capital budget
Meters electrical	802 178	900 000	(97 822)	-11	Reprioritisation of capital budget
Outfall sewers	-	286 000	(286 000)	-100	Reprioritisation of capital budget
Paving	984 363	1 020 000	(35 637)	-3	
Purification works	22 034 119	23 280 600	(1 246 481)	-5	
Other roads	13 810 388	14 195 974	(385 586)	-3	
Sewers	8 956 620	8 846 100	110 520	1	
Sewerage pumps	1 003 516	891 100	112 416	13	Reprioritisation of capital budget
Street lighting	650 515	600 000	50 515	8	Reprioritisation of capital budget
Supply/reticulation Electric	24 105 131	25 058 200	(953 069)	-4	
Stormwater drains	8 955 121	9 322 043	(366 922)	-4	
Switchgear	771 495	771 500	(5)	-0	
Reservoirs & tanks	12 076 644	11 320 700	755 944	7	Reprioritisation of capital budget
Traffic lights	399 984	400 000	(16)	-0	
	121 490 917	**123 741 331**	**(2 250 414)**	**-2**	
Community Assets					
Cemeteries	-	300 000	(300 000)	-100	Reprioritisation of capital budget
Community centres	6 736 951	6 645 100	91 851	1	
Fire stations	94 705	82 393	12 312	15	Reprioritisation of capital budget
Outdoor sports	3 542 297	3 578 726	(36 429)	-1	
Public conveniences	780 710	1 151 400	(370 690)	-32	Reprioritisation of capital budget
Slipways	813 347	810 000	3 347	0	
Stadiums	334 572	334 573	(1)	-0	
Swimming pools	2 936 850	2 915 500	21 350	1	
Tennis courts	100 000	100 000	-	0	
	15 339 432	**15 917 692**	**(578 260)**	**-4**	

UNAUDITED: APPENDIX E(2)
OVERSTRAND MUNICIPALITY: ACTUAL VS. BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2008

	2008 Actual R	2008 Budget R	2008 Variance R	2008 Variance %	Explanation of Significant Variances Greater than 5% versus Budget
Land and Buildings					
Land	-	-	-		
	-	**-**	**-**		
Other Assets					
Computer hardware	2 066 667	2 100 000	(33 333)	-2	Reprioritisation of capital budget
Radio equipment	271 113	277 000			
Fire Equipment	201 956	202 000	(44)	-0	
General plant	1 972 831	2 110 344	(137 513)	-7	
Household refuse	149 150	150 000	(850)	-1	
Housing schemes	2 239 011	9 340 000	(7 100 989)	-76	Delays in housing projects (ROD's etc.)
Miscellaneous furniture	2 245 364	90 000	2 155 364	2 395	Change in Accounting standards
Office building	991 927	1 017 440	(25 513)	-3	
Tip sites	6 051 986	6 490 000	(438 014)	-7	Reprioritisation of capital budget
Vehicles	3 307 054	665 483	2 641 571	397	Vehicles delivered after year end
Vehicles: Trucks/bakkies	2 917 702	2 917 706	(4)	-0	
Workshop/Depots	407 907	410 000	(2 093)	-1	
	22 822 667	**25 769 973**	**(2 941 418)**	**-11**	
Total	**159 653 017**	**165 428 996**	**(5 770 092)**	**-3**	

Annexure A

FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 30 October 2007)

Name of municipality:	OVERSTRAND	**Demarcation Code:**	WC032
Name of preparer:	H N Kleinloog	**Date completed:**	October 1, 2007
Contact Details:	028 313 8040 e-mail: hkleinloog@overstrand.gov.za	**Financial period:**	2007/ 2008

Financial reporting standard	**Extent of exemption from standard**	**Milestones to be achieved to comply with exemption** *[include the key challenges to be overcome]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
Property, plant and equipment (GRAP 17)	Review of useful life of items of PPE recognised in the annual financial statements *[paragraphs 59 – 61, and 77]*	• The Municipality will review the lives and residual values of assets and adjustments will be made as appropriate. We will use our experience, judgement and assumptions in the process of determining lives and residual values.	Dir. Infra & Planning Dir. Com Services Dir. Econ Developm C F O	*Will be disclosed in 2008/2009 AFS*
	Review of depreciation method applied to PPE recognised in the annual financial statements *[paragraphs 62 and 77]*	• When a change in depreciation method is necessary, the change will be accounted for and adjusted accordingly.	C F O	*Will be disclosed in 2008/2009 AFS*
	Impairment of non-cash-generating assets *[paragraphs 64 – 69 and 75(e)(v) – (vi)]*	• The carrying amount of assets will be reviewed and assessed against the recoverable amount of such assets to determine any impairment losses.	Dir. Infra & Planning Dir. Com Services Dir. Econ Developm C F O	*Will be disclosed in 2008/2009 AFS*

Annexure A

FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 30 October 2007)

Financial reporting standard	**Extent of exemption from standard**	**Milestones to be achieved to comply with exemption** *[include the key challenges to be overcome]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
	Impairment of cash-generating assets *[paragraphs 63 and 75(e)(v) – (vi)]*	• The carrying amount of assets will be reviewed and assessed against the recoverable amount of such assets to determine any impairment losses.	Dir. Infra & Planning Dir. Com Services	*Will be disclosed in 2008/2009 AFS*
Impairment of Assets (IAS 36/AC 128)	Entire Standard	Applies to financial assets classified as: • Subsidiaries (IAS27) -not applicable • Associates (IAS28) – not applicable • Joint ventures(IAS31)-not applicable Assets at revalued amounts (IAS16) - will be applied when identified.	All Directors	*Will be disclosed in 2008/2009 AFS*
Inventories (GAMAP 12)	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17	• To recognize land/property as held for sale within the next 12 months. • Report to Council to recognize properties held for sale.	Dir. Infra & Planning Dir. Com Services	*Will be disclosed in 2008/2009 AFS*
	The entire standard to the extent that it relates to water stock that was not purchased by the municipality	• The value of purified water stored in the reservoirs will be determined annually at year end.	Dir. Com Services	*Will be disclosed in 2008/2009 AFS*
Investment Property (IAS 40/AC 135)	The entire standard to the extent that the property is accounted for in terms of GAMAP 17	• To recognize and measure properties as Investment Properties.	Dir. Infra & Planning	*Will be disclosed in 2008/2009 AFS*

Annexure A

FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 30 October 2007)

Financial reporting standard	**Extent of exemption from standard**	**Milestones to be achieved to comply with exemption** *[include the key challenges to be overcome]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
	Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised the investment property in terms of the standard *[paragraphs 79(e)(i) – (iii)]*	• The Council is currently busy compiling a new valuation roll which will be applicable from 1 July 2008. • The new municipal values will be applied as the fair value of investment properties.	Dir. Infra & Planning	*Will be disclosed in 2008/2009 AFS*
Leases (IAS 17/AC 105)	Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognized on the basis of the cash flows in the lease agreement. *[SAICA circular 12/06 paragraphs 8 – 11 and paragraphs 33, 34, 50, 51 of IAS 17/AC 105)*	• To identify and list the details of all operating leases in order to allocate lease payments/receipts to expenses/income on a straight line basis.	All Directors	*Will be disclosed in 2008/2009 AFS*
Intangible Assets (IAS 38/AC 129)	The entire standard except for the recognition, measurement and disclosure of computer software equipment and website costs (SIC 32/AC 432) and all other costs are expensed	Recognition and measurement of • Valuation roll • Servitudes • Licenses • Advertising	Dir. Infra & Planning Head : Management Services	*Will be disclosed in 2008/2009 AFS*

Annexure A

FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 30 October 2007)

Financial reporting standard	**Extent of exemption from standard**	**Milestones to be achieved to comply with exemption** *[include the key challenges to be overcome]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
Employee Benefits (IAS 19/AC 116)	Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. *[paragraphs 29, 48 – 119, 120A(c)-(q)]*	Recognition and measurement of • Short term employee benefits • Post employment benefits • Other long term employee benefits • Termination benefits	Head : Management Services	*Will be disclosed in 2008/2009 AFS*
Revenue (GAMAP 9)	Initial measurement of fair value discounting all future receipts using an imputed rate of interest. *[SAICA circular 09/06 and paragraph 12]*	• Discounting of future receipts not necessary due to interest levied on arrear accounts and reflected as revenue. Therefore, fair value = nominal amount.	C F O	*Will be disclosed in 2008/2009 AFS*
Financial Instruments: Recognition and Measurement (IAS 39/AC 133)	Initially measuring financial assets and financial liabilities at fair value. *[SAICA circular 09/06, paragraph 43, AG 79, AG 64 and AG 65 of IAS 39/ AC 133]*	• Recognition and measuring of financial assets and liabilities - completed	C F O	*Will be disclosed in 2008/2009 AFS*

Annexure A

FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 30 October 2007)

Financial reporting standard	**Extent of exemption from standard**	**Milestones to be achieved to comply with exemption** *[include the key challenges to be overcome]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
Non-current Assets held for Sale and Discontinued Operations (IFRS 5/AC142)	Classification, measurement and disclosure of non-current assets held for sale. *[paragraphs 6 – 14, 15 – 29 (in so far as it relates to non-current assets held for sale), 38 – 42]*	• To recognize land/property as held for sale within the near future.	Dir. Infra & Planning Dir. Com Services Dir. Econ Developm	*Will be disclosed in 2008/2009 AFS*
Financial Instruments: Disclosures (IFRS 7/AC 144)	Entire Standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998	• Completed	C F O	*Will be disclosed in 2008/2009 AFS*
Construction Contracts (IAS 11/AC 109)	Entire Standard	• Not applicable to Overstrand		n/a
Business Combinations (IFRS 3/AC 140)	Entire Standard	• Not applicable to Overstrand		n/a
Accounting for Government Grants and disclosure of Government Assistance (IAS 20/AC 134)	Entire Standard excluding paragraph 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9	• Review accounting policy to: i) account grant as deferred income, or ii) account grant by deducting from carrying amount of asset.	C F O	*Will be disclosed in 2008/2009 AFS*

Annexure A

FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 30 October 2007)

Annexure A

FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 31 March 2008)

Name of municipality:	OVERSTRAND	**Demarcation Code:**	WC032
Name of preparer:	H N Kleinloog	**Date completed:**	March 31, 2008
Contact Details:	028 313 8040 e-mail: hkleinloog@overstrand.gov.za	**Financial period:**	2007/2008

Financial reporting standard & extent of exemption from standard	**Milestones to be achieved to comply with exemption – reported in October 2007** *[include the key challenges to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
Property, plant and equipment (GRAP 17) Review of useful life of items of PPE recognised in the annual financial statements *[paragraphs 59 – 61, and 77]*	• The Municipality will review the lives and residual values of assets and adjustments will be made as appropriate. We will use our experience, judgement and assumptions in the process of determining lives and residual values.	• New posts have been created on the staff compliment to address this issue. • We will periodically report on the progress made.	Dir. Infra & Planning Dir. Com Services Dir. Econ Developm C F O	*Will be disclosed in 2008/2009 AFS*
Property, plant and equipment (GRAP 17) Review of depreciation method applied to PPE recognised in the annual financial statements *[paragraphs 62 and 77]*	• When a change in depreciation method is necessary, the change will be accounted for and adjusted accordingly.	• We do not anticipate any change in the depreciation method. •	C F O	*Will be disclosed in 2008/2009 AFS*

Annexure A

FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 31 March 2008)

Financial reporting standard & extent of exemption from standard	**Milestones to be achieved to comply with exemption – reported in October 2007** *[include the key challenges to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
Property, plant and equipment (GRAP 17) Impairment of non-cash-generating assets *[paragraphs 64 – 69 and 75(e)(v) – (vi)]*	• The carrying amount of assets will be reviewed and assessed against the recoverable amount of such assets to determine any impairment losses.	• New posts have been created on the staff compliment to address this issue. • We will periodically report on the progress made.	Dir. Infra & Planning Dir. Com Services Dir. Econ Developm C F O	*Will be disclosed in 2008/2009 AFS*
Property, plant and equipment (GRAP 17) Impairment of cash-generating assets *[paragraphs 63 and 75(e)(v) – (vi)]*	• The carrying amount of assets will be reviewed and assessed against the recoverable amount of such assets to determine any impairment losses.	• New posts have been created on the staff compliment to address this issue. • We will periodically report on the progress made.	Dir. Infra & Planning Dir. Com Services	*Will be disclosed in 2008/2009 AFS*
Impairment of Assets (IAS 36/AC 128) Entire Standard	Applies to financial assets classified as: • Subsidiaries (IAS27) -not applicable • Associates (IAS28) – not applicable • Joint ventures(IAS31)-not applicable • Assets at revalued amounts (IAS16) - will be applied when identified.	• We will periodically report on the progress made	All Directors	*Will be disclosed in 2008/2009 AFS*

Annexure A

FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 31 March 2008)

Financial reporting standard & extent of exemption from standard	**Milestones to be achieved to comply with exemption – reported in October 2007** *[include the key challenges to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
Inventories (GAMAP 12) The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17	• To recognize land/property as held for sale within the next 12 months. • Report to Council to recognize properties held for sale.	• Completed.	Dir. Infra & Planning	*Will be disclosed in 2008/2009 AFS*
Inventories (GAMAP 12) The entire standard to the extent that it relates to water stock that was not purchased by the municipality	• The value of purified water stored in the reservoirs will be determined annually at year end.	• Completed.	Dir. Infra & Planning	*Will be disclosed in 2008/2009 AFS*
Investment Property (IAS 40/AC 135) The entire standard to the extent that the property is accounted for in terms of GAMAP 17	• To recognize and measure properties as Investment Properties.	• All Council owned land has been recognized and measured • Busy with recognition of land identified as Investment Properties.	Dir. Infra & Planning	*Will be disclosed in 2008/2009 AFS*

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Financial reporting standard & extent of exemption from standard	**Milestones to be achieved to comply with exemption – reported in October 2007** *[include the key challenges to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
Investment Property **(IAS 40/AC 135)** Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognized the investment property in terms of the standard *[paragraphs 79(e)(i) – (iii)]*	• The Council is currently busy compiling a new valuation roll which will be applicable from 1 July 2008. • The new municipal values will be applied as the fair value of investment properties.	• New valuation roll completed and will be applied as the fair value of investment properties.	Dir. Infra & Planning	*Will be disclosed in 2008/2009 AFS*
Leases **(IAS 17/AC 105)** Recognizing operating lease payments / receipts on a straight-line basis if the amounts are recognized on the basis of the cash flows in the lease agreement. *[SAICA circular 12/06 paragraphs 8 – 11 and paragraphs 33, 34, 50, 51 of IAS 17/AC 105)*	• To identify and list the details of all operating leases in order to allocate lease payments/receipts to expenses/income on a straight line basis.	• Completed	All Directors	*Will be disclosed in 2008/2009 AFS*

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FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 31 March 2008)

Financial reporting standard & extent of exemption from standard	**Milestones to be achieved to comply with exemption – reported in October 2007** *[include the key challenges to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
Intangible Assets (IAS 38/AC 129) The entire standard except for the recognition, measurement and disclosure of computer software equipment and website costs (SIC 32/AC 432) and all other costs are expensed	Recognition and measurement of • Valuation roll • Servitudes • Licenses • Advertising	• Valuation roll – completed • Servitudes – outstanding • Licences – n.a. • Advertising – n.a.	Dir. Infra & Planning Head : Management Services	*Will be disclosed in 2008/2009 AFS*
Employee Benefits (IAS 19/AC 116) Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. *[paragraphs 29, 48 – 119, 120A(c)-(q)]*	Recognition and measurement of • Short term employee benefits • Post employment benefits • Other long term employee benefits • Termination benefits	• Completed	Head : Management Services	*Will be disclosed in 2008/2009 AFS*

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Financial reporting standard & extent of exemption from standard	**Milestones to be achieved to comply with exemption – reported in October 2007** *[include the key challenges to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
Revenue **(GAMAP 9)** Initial measurement of fair value discounting all future receipts using an imputed rate of interest. *[SAICA circular 09/06 and paragraph 12]*	• Discounting of future receipts not necessary due to interest levied on arrear accounts and reflected as revenue. Therefore, fair value = nominal amount.	• Will be addressed with the compilation of the 2008/2009 budget.	C F O	*Will be disclosed in 2008/2009 AFS*
Financial Instruments: Recognition and Measurement **(IAS 39/AC 133)** Initially measuring financial assets and financial liabilities at fair value. *[SAICA circular 09/06, paragraph 43, AG 79, AG 64 and AG 65 of IAS 39/ AC 133]*	• Recognition and measuring of financial assets and liabilities – completed	• Completed.	C F O	*Will be disclosed in 2008/2009 AFS*

Annexure A

FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 31 March 2008)

Financial reporting standard & extent of exemption from standard	**Milestones to be achieved to comply with exemption – reported in October 2007** *[include the key challenges to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
Non-current Assets held for Sale and Discontinued Operations **(IFRS 5/AC142)** Classification, measurement and disclosure of non-current assets held for sale. *[paragraphs 6 – 14, 15 – 29 (in so far as it relates to non-current assets held for sale), 38 – 42]*	• To recognize land/property as held for sale within the near future.	• Completed.	Dir. Infra & Planning Dir. Com Services Dir. Econ Developm	*Will be disclosed in 2008/2009 AFS*
Financial Instruments: Disclosures **(IFRS 7/AC 144)** Entire Standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998	• Completed	• Completed.	C F O	*Will be disclosed in 2008/2009 AFS*

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FORMAT OF IMPLEMENTATION PLAN FOR HIGH CAPACITY MUNICIPALITIES (for 31 March 2008)

Financial reporting standard & extent of exemption from standard	**Milestones to be achieved to comply with exemption – reported in October 2007** *[include the key challenges to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[cannot extend beyond 31 June 2008]*
Construction Contracts **(IAS 11/AC 109)** Entire Standard	• Not applicable to Overstrand	• n/a		n/a
Business Combinations **(IFRS 3/AC 140)** Entire Standard	• Not applicable to Overstrand	• n/a		n/a
Accounting for Government Grants and disclosure of Government Assistance **(IAS 20/AC 134)** Entire Standard excluding paragraph 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9	• Review accounting policy to: i) account grant as deferred income, or ii) account grant by deducting from carrying amount of asset.	• We will change our accounting policy to account for Government Grants by deducting it from the carrying amount of assets.	C F O	*Will be disclosed in 2008/2009 AFS*

44. DEVIATION FROM PROCUREMENT PROCESSES 1 JULY 2006 TO 30 JUNE 2007

* SCM Reg 36(1)(a) (i) - in an emergency
* SCM Reg 36(1)(a) (ii) - if goods and services are available from a single provider
* SCM Reg 36(1)(a) (v) - where it is impractical or impossible to follow the official procurement processes.

TENDER NO	Date approved	Deviation SCM Regulations		Description	Service Area	Awarded to	Amount Operational	Capital 2007/2008
SC142/2007	03/07/2007	SCM Reg 36(1)(a) (i)	Emergency	Fire Disaster Mashakane Gansbaai	Mashakanhe	Build It Gansbaai	39 564.67	
SC143/2007	05/07/2007	SCM Reg 36(1)(a) (ii)	Single Provider	Training Six Traffic Officers	Overstrand	Gene Louw Kollege & Silver Protea	214 379.16	
SC145/2007	05/07/2007	SCM Reg 36(1)(a) (i)	Emergency	Fire Disaster Thambo Square Zwelihle	Zwelihle	Build It Gansbaai	43 199.75	
SC149/2007	17/06/2007	SCM Reg 36(1)(a) (ii)	Single Provider	Herstel van Rioolpompe (HSM)	Hermanus	HSM		245 256.00
SC170/2007	13/08/2007	SCM Reg 36(1)(a) (ii)	Single Provider	Town Planning Module EIMS	Overstrand	Water Management Services CC	98 300.00	
SC183/2007	29/08/2007	SCM Reg 36(1)(a) (ii)	Single Provider	eNatis Equipment control room	Hermanus	Tasima Pty Ltd		33 512.75
SC198/2007	06/09/2007	SCM Reg 36(1)(a) (ii)	Single Provider	Licence Fee Total Computer Services	Overstrand	TCS Pty Ltd	41 500.00	
SC202/2007	07/09/2007	SCM Reg 36(1)(a) (ii)	Single Provider	Electricity Increase Onrus Caravan Park	Onrus	Escom Holdings		75 495.26
SC211/2007	04/10/2007	SCM Reg 36(1)(a) (v)	Impractical	Municipal offices extention Phase 5	Hermanus	A Greeff	28 245.85	
SC218/2007	08/10/2007	SCM Reg 36(1)(a) (i)	Emergency	Power Outage Eskom Hire Generators	Hermanus	Neptune Plant Hire Safe Securety HSM Amanzi	104 276.00	
SC243/2007	12/12/2007	SCM Reg 36(1)(a) (i)	Emergency	IT Repairs & Services	Overstrand	Lateral Dynamics	45 450.00	
SC245/2007	19/12/2007	SCM Reg 36(1)(a) (v)	Impractical	Blue Flag Beaches Cleanup Dec/Jan	Overstrand	Gia	61 092.00	
SC066a/2007	07/03/2008	SCM Reg 36(1)(a) (v)	Impractical	Biometric Time & Attendance Clock Stations	Overstrand	Fourier-e	74 740.00	
SC212a/2008	*11/03/2008*	SCM Reg 36(1)(a) (v)	Impractical	SewerTanker Rental R4 662.00 p.d.	Kleinmond	Hlumani Wasteman		
SC247/2008	31/01/2008	SCM Reg 36(1)(a) (ii)	Single Provider	Scada System (Electricity monitoring)	Hermanus	Spectrum		87 643.88
SC248/2008	01/02/2008	SCM Reg 36(1)(a) (ii)	Single Provider	My City Flow Monitoring Systems	Hermanus	Flotron		389 075.00
SC249/2008	08/02/2008	SCM Reg 36(1)(a) (ii)	Single Provider	Booking Systems: Halls, Cemetery &Housing Waiting List	Overstrand	Business Engineering		156 000.00
SC249a/2008	08/02/2008	SCM Reg 36(1)(a) (ii)	Single Provider	Human Resources Processes	Overstrand	Business Engineering		60 000.00
SC271/2008	25/02/2008	SCM Reg 36(1)(a) (v)	Impractical	Repair & Service Telemetry Stations	Hermanus	Benlikor Communications	43 878.80	
SC272/2008	26/02/2008	SCM Reg 36(1)(a) (v)	Impractical	Indaba Durban May 2008	Overstrand	Overberg Tourism	109 602.00	

TENDER NO	Date approved	Deviation SCM Regulations		Description	Service Area	Awarded to	Amount Operational	Capital 2007/2008
SC273/2008	26/02/2008	SCM Reg 36(1)(a) (v)	Impractical	Repair Pump	Kleinmond	Tricom Africa	17 882.58	
SC284/2008	26/03/2008	SCM Reg 36(1)(a) (v)	Impractical	Cleaning Sewerage lines - Dyna Rod	Hermanus	Dyna Rod	150 430.00	
SC286/2008	28/03/2008	SCM Reg 36(1)(a) (i)	Emergency	Power failure Sunday 30/03/2008 Escom	Overstrand	Neptune Plant Hire	11 021.00	
SC286/2008	*28/03/2008*	SCM Reg 36(1)(a) (i)	Emergency	*Power failure Sunday 30/03/2008 Escom*	*Overstrand*	CW Security	5 184.00	
SC286/2008	*28/03/2008*	SCM Reg 36(1)(a) (i)	Emergency	*Power failure Sunday 30/03/2008 Escom*	*Overstrand*	HSM	53 400.00	
SC287/2008	*28/03/2008*	SCM Reg 36(1)(a) (v)	Impractical	Repair Robot Pumps	Kleinmond	Tricom Africa	31 667.27	
SC287/2008	*28/03/2008*	SCM Reg 36(1)(a) (v)	Impractical	Repair Robot Pumps	Kleinmond	Tricom Africa	17 882.58	
SC288/2008	*31/03/2008*	SCM Reg 36(1)(a) (v)	Impractical	P MAXX Electical metering Reading Software	Overstrand	PJ Technologies	14 182.18	
SC289/2008	*01/04/2008*	SCM Reg 36(1)(a) (v)	Impractical	Repairs to Robot Mainroad Hermanus	Overstrand	Syntell	46 587.24	
SC294/2008	*18/04/2008*	SCM Reg 36(1)(a) (v)	Impractical	Transfers Gansbaai Low Cost Housing	Gansbaai	Hannes Pretorius, Bock & Isaacs	202 796.00	
SC299/2008	*22/04/2008*	SCM Reg 36(1)(a) (ii)	Single Provider	Psion Workabout Scanner Asset Registers	Overstrand	Bytes Technology Group	19 321.43	
SC301/2008	*25/04/2008*	SCM Reg 36(1)(a) (ii)	Single Provider	Arcgist 9.3 GIS Program Town Planning	Overstrand	GIMS (Pty) Ltd	48 000.00	
SC302/2008	*25/04/2008*	SCM Reg 36(1)(a) (i)	Emergency	Rent Mobile Toilets Market Sqaure	Hermanus	Boland Toilette	16 167.09	
SC306/2008	*05/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	Access Control IT Server rooms	Overstrand	Supervision Biometric Systems	79 415.00	
SC307/2008	*05/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	Cleaning of Lagune & Cemetry Onrus	Onrus	Onrus Ratepayers	8 064.00	
SC308/2008	*06/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	Purchase Hot Bitumen Emulsion Sprayer	Hermanus	Ian Dickie	15 775.20	
SC311/2008	*12/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	Actuarial Calculation for Finacial Year 2006/2007	Overstrand	ARCH Actuarial Consulting	57 800.00	
SC312/2008	*13/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	Gearbox Repairs CEM21722 Nissan UD70	Hermanus	AAD Truck & Bus	62 772.35	
SC313/2008	*13/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	Spring Packs CEM	Hermanus	Saaymans Springworks	11 280.00	
SC321/2008	*16/05/2008*	SCM Reg 36(1)(a) (i)	Emergency	Overstrand Build It	Kleinmond	Overstand Build It	36 623.55	
SC323/2008	*23/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	EMIS System	Overstrand	Water Management Services cc	180 000.00	
SC324/2008	*23/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	Licence Fee Groupwise Novell	Overstrand	Lateral Dynamics	221 076.50	
SC325/2008	*20/05/2008*	SCM Reg 36(1)(a) (ii)	Single Provider	Repairs to Duvelo 200 Street Sweeper	Hermanus	Uni-Cape Equipment	15 028.00	
SC326/2008	*20/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	Cisco MDS 9124 FC4	Overstrand	GBS Network Solutions	87 985.48	
SC327/2008	*20/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	Repairs to CEM 10616 & CEM 24230	Hermanus	Saaymans Springworks	13 700.00	
SC328/2008	*20/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	Webspy & one year maintenance	Overstrand	Lateral Dynamics	22 995.00	
SC329/2008	*20/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	Repair Engin - CEM 15376	Hermanus	Worcester Enjin Sentrum	31 800.00	

TENDER NO	Date approved	Deviation SCM Regulations		Description	Service Area	Awarded to	Amount Operational	Capital 2007/2008
SC330/2008	*20/05/2008*	SCM Reg 36(1)(a) (v)	Impractical	Repair Gearbox - CEM 6932	Hermanus	Vaal-Cape Transmission	25 426.93	
SC332/2008	26/05/2008	SCM Reg 36(1)(a) (v)	Impractical	Publisher Extention Arcgis	Overstrand	GIMS (Pty) Ltd	25 000.00	
SC333/2008	26/05/2008	SCM Reg 36(1)(a) (i)	Emergency	Cable Jointing - Power FailureHarbour Road	Hermanus	Giles Supertention Jointing cc	6 420.00	
SC334/2008	26/05/2008	SCM Reg 36(1)(a) (i)	Emergency	Storm Damage 5/05 &11/05 D Fourie	Hermanus	D Fourie	750.00	
SC334a/2008	26/05/2008	SCM Reg 36(1)(a) (i)	Emergency	Storm Damage 5/05 &11/05 Mr Spike	Hermanus	Mr Spike	4 614.04	
SC336/2008	27/05/2008	SCM Reg 36(1)(a) (v)	Impractical	Data Cabling Gansbaai Offices	Gansbaai	GijimaAst	58 752.28	
SC337/2008	27/05/2008	SCM Reg 36(1)(a) (v)	Impractical	PV NX1950 Gateway	Overstrand	Dell Computer(Pty)Ltd		159 426.22
SC338/2008	27/05/2008	SCM Reg 36(1)(a) (v)	Impractical	Corporate Local Cashe Server Implementation	Overstrand	Business Engineering	75 000.00	
SC339/2008	27/05/2008	SCM Reg 36(1)(a) (v)	Impractical	Supply Chain Functionality in SAMRAS	Overstrand	Bytes Technology Group	168 825.00	
SC341/2008	27/05/2008	SCM Reg 36(1)(a) (ii)	Single Provider	Roller Shutters Sandbaai Hall	Sandbaai	Windsor Securitycc		26 228.95
SC344/2008	28/05/2008	SCM Reg 36(1)(a) (v)	Impractical	Purchase Bitumen from Tosas	Hermanus	Tosas	25 680.00	
SC345/2008	28/05/2008	SCM Reg 36(1)(a) (v)	Impractical	Language Policy for Overstrand Municipality	Overstrand	Frans Boot	21 000.00	
SC346/2008	29/05/2008	SCM Reg 36(1)(a) (v)	Impractical	New Municipal Offices	Hermanus	Site Form Framing		699 508.77
SC346a/2008	17/06/2008	SCM Reg 36(1)(a) (v)	Impractical	Electricity New Municipal Offices	Hermanus	Atlas Cables Supplies Cape		26 700.00
SC346b/2008	17/06/2008	SCM Reg 36(1)(a) (v)	Impractical	Computer Network New Municipal Offices	Hermanus	Cable's Cabling		49 386.00
SC347/2008	30/05/2008	SCM Reg 36(1)(a) (v)	Impractical	Repairs to Digger Loader	Hermanus	Masakhanye Motor Repairs	7 908.00	
SC349/2008	03/06/2008	SCM Reg 36(1)(a) (ii)	Single Provider	Wireless Vantage Pro2 Weather station	Overstrand	C.W. Price & Co (pty) Ltd	12 750.00	
SC350/2008	03/06/2008	SCM Reg 36(1)(a) (v)	Impractical	Land survey Erf 3430 Gansbaai	Gansbaai	Spronk Associates Inc	13 660.00	
SC351/2008	03/06/2008	SCM Reg 36(1)(a) (v)	Impractical	Radio Repeater Grootbos- Fir Brigade Services	Gansbaai	Benlikor Communications	19104,00	
SC352/2008	03/06/2008	SCM Reg 36(1)(a) (v)	Impractical	Purchase of Electrical Cable	Overstrand	Atlas Cable Supply	38 000.00	
SC354/2008	06/06/2008	SCM Reg 36(1)(a) (v)	Impractical	Service Heil 4000 Compactor & Fit 3 top doors CEM 17013	Hermanus	Transtech	5 449.60	
SC355/2008	06/06/2008	SCM Reg 36(1)(a) (v)	Impractical	Repairs on Caterpillar 930 CAM 13541	Kleinmond	Masakhanye Motor Repairs	14 040.00	
SC361/2008	10/06/2008	SCM Reg 36(1)(a) (v)	Impractical	Accomodation Traffic Officers	Overstrand	Silver Protea Accommodation	58 921.05	
SC362/2008	19/06/2008	SCM Reg 36(1)(a)(ii)	Single Provider	Electrical Equipment CT Lab	Hermanus	CT LAB (Pty) Ltd		34 100.00

TENDER NO	Date approved	Deviation SCM Regulations		Description	Service Area	Awarded to	Amount Operational	Capital 2007/2008
SC363/2008	17/06/2008	SCM Reg 36(1)(a) (v)	Impractical	Analysis of Water samples (AL Abbott)	Overstrand	AL Abbott & Assoc (Pty)Ltd	51 035.00	
SC364/2008	18/06/2008	SCM Reg 36(1)(a)(ii)	Single Provider	Interlock Pavers Rooiels	Rooiels	Concrete Quality	39 078.94	
SC366/2008	19/06/2008	SCM Reg 36(1)(a)(i)	Emergency	Repairs Zwelihle Sewerline	Zwelihle	Requad Constructi	15 000.00	
SC367/2008	24/06/2008	SCM Reg 36(1)(a)(v)	Impractical	Telephone Cabling Gansbaai Offices	Gansbaai	Gijima Ast	46 580.00	
SC368/2008	24/06/2008	SCM Reg 36(1)(a)(v)	Impractical	Educational Equipment Creches	Overstrand	Plastics for Africa	24 699.66	
SC369/2008	24/06/2008	SCM Reg 36(1)(a)(v)	Impractical	Educational Equipment Creches	Overstrand	Grassroots Pre-School Shop	32 271.05	
SC160f/2008	27/06/2008	SCM Reg 36(1)(a)(v)	Impractical	**Construct Gravel Road Mnt Pleasant**	**Mnt Pleasant**	**Peter Starke Civils**		**273 722.37**
SC166a/2007	27/06/2008	SCM Reg 36(1)(a)(v)	Impractical	Construction Roads Prigle Bay Rooiels	Pringle Bay Rooiels	Cape Asphalt		1 035 584.00
TOTAL VALUE OF DEVIATIONS APPROVED FOR PERIOD 1 JULY 2007 - JUNE 2008							**3 153 926.23**	**3 351 639.20**